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990 HOME EQUITY & MORTGAGE LENDING STUDY

year end 1989

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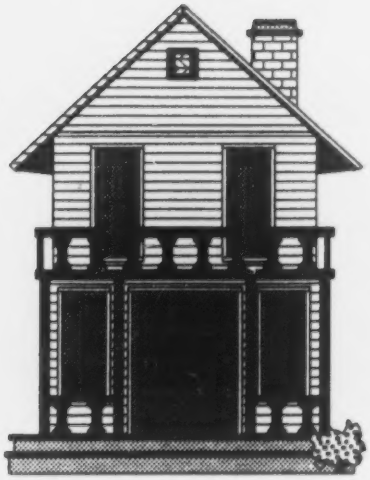

1990

HOME LENDING SURVEY

FOR YEAR END 1989

by

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1990 Home Equity and Mortgage Lending Study

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Introduction

The fourth annual survey of home equity lending documents the continued, phenomenal growth of home equity loans in the United States and has been expanded to include **first mortgages**. This year's survey details the growth and use of home equity **open-end** lines (revolving credit), home equity **closed-end** loans and **first mortgages** and is the first national, comprehensive survey of 1989 home lending products.

Home equity **open-end** credit at the average financial institution increased by 34 percent in 1989, 57 percent in 1988, and 23 percent in 1987. Although the number of home equity lines and the amount of **open-end** credit continued to grow at a rapid rate, the number of new home equity lenders dropped dramatically. Most of the increase in the number of new home equity lenders took place between 1983 and 1987. Since then, the home equity market has grown through existing lenders who have greatly increased their home equity credit portfolios. An astonishing 28 percent of all consumer credit (excluding unsecured credit cards) was home equity **open-end** credit in 1989. It represented 29 percent and 25 percent of consumer credit in 1988 and 1987, respectively. If **closed-end** loans were included, home equity credit would represent 45 percent of all consumer credit (except unsecured credit cards) in 1989.

Almost ninety-nine percent of the lenders in this study offered **open-end** lines. Seventy-seven percent of the lenders offered **closed-end** loans and ninety-two percent offered **first mortgages**.

Objectives

This executive summary will:

1. Analyze total consumer credit outstanding (excluding unsecured credit cards).
2. Describe an institution's typical portfolio within the home equity product. This includes **open-end** and **closed-end**, as well as variable rate, loans/lines and **first mortgages**.
3. Analyze the approval process for home equity products including **first mortgages**.
4. Evaluate the characteristics of variable rate home equity products.
5. Assess the servicing of home equity products, by reviewing policies, primary uses of home equity credit by borrowers, delinquencies, and foreclosures.
6. Profile the average customer and evaluate home equity loan market activities among different institutions.
7. Discuss the basic demographics of institutions presently marketing home equity products.
8. Provide home equity analysis in aggregate form, as well as by size of institution, type of institution, and region.

Methodology and Sample

On behalf of the Consumer Bankers Association, the Center for Financial Services Studies of the McIntire School of Commerce, University of Virginia, sent questionnaires to 1,224 commercial banks and 111 thrifts (including mutual savings banks, savings and loan associations, credit unions, and finance companies). The questionnaire was developed over a three-year period with six revisions. The survey covered a stratified systematic sample of financial institutions in the United States with assets of at least $100 million. Questionnaires were sent to 813 commercial banks with assets of more than $250 million, 411 commercial banks with assets of $100 million to $250 million, and to the 111 largest thrifts in the United States. Each institution received the fourteen-page questionnaire during January 1990. There were 159 usable responses prior to the deadline or almost 17 percent of the total mailing.

Characteristics of Respondents

The 159 respondents, coming from thirty-seven states, were regionally representative of financial institutions in the United States that have assets of $100 million or more. Exhibit 1 (pgs. 20-22) depicts some of the statistical characteristics of the responding lenders. Assets of the survey participants totaled $868 billion, and consumer loan portfolios (excluding unsecured credit cards) amounted to $94 billion. More pertinent to this study was the finding that these institutions reported a total of 775,032 approved home equity **open-end** lines, amounting to $25.8 billion in home equity **open-end** credit, and 523,589 home equity **closed-end** loans, totaling $11.2 billion in home equity **closed-end** credit and 1,730,561 **first mortgage** loans totaling $94 billion.

The average asset size of responding institutions was $5.5 billion. Assets at the average bank had a growth rate of 6.9 percent in 1989. The median number of branches in 1989 was thirty-two, an increase of three branches since 1988. The average lender's return on assets was .977 percent in 1989.

The data were analyzed on an aggregate basis as well as by region, size, and type of institution. Geographically, the responses were broken down into four of the Census Bureau's regions: Northeast, South, Midwest and West.

In terms of asset size, the four categories used were: small ($100 million to $300 million in assets), medium ($300 million to $1 billion in assets), large (more than $1 billion to $5 billion in assets) and very large (more than $5 billion in assets).

The data were also categorized by commercial bank versus thrift (credit unions, mortgage companies, savings banks and savings and loan associations). There were 132 commercial banks and 27 thrifts in this study.

Home Equity Lending

The average lender had 5,167 **open-end** lines and 4,940 **closed-end** loans as of December 31, 1989 (Exhibit 2, pgs. 23-25). The average total **open-end** approved credit was $176,686,475. However, only 4,321 **open-end** lines (86 percent of all **open-end** lines) were actually in use as of the end of 1989. The amount of **open-end** credit in use at the end of 1989 was $97,711,857, which was 58 percent of the approved **open-end** credit (Exhibit 3, pgs. 26-27).

There were 4,940 **closed-end** loans at the average lender. These **closed-end** loans totaled $110,911,928.

The average thrift had more home equity credit than the average bank. In addition, home equity lending made up a greater percentage of a thrift's consumer credit portfolio than of a bank's. **Open-end** credit represented 63 percent of an average thrift's consumer credit portfolio (excluding unsecured credit cards) as compared to 24 percent of an average bank's. Home equity credit in aggregate (**open-end** and **closed-end** credit) represented 99 percent of consumer credit at the average thrift and only 39 percent at the average bank. Although, home equity lending increased in 1989, the number of new lenders did not (Figure 1). There were no new entrants in our sample of financial institutions with more than $100,000,000 in assets.

Figure 1

Growth in new Home Equity Open-End competitors took place between 1983-1987.

1989 versus 1988

At the average financial institution within this sample, the consumer credit portfolio (excluding unsecured credit cards) increased by 42 percent in 1989, from $449,692,489 to $668,889,765 (Exhibit 2, pgs. 23-25). Approved **open-end** credit increased from $139,934,270 to $176,686,475,

an increase of 34 percent during 1989. The largest increase came from **closed-end** credit, which increased 63 percent from $67,761,983 in 1988 to $110,911,928 in 1989. The percentage of the number of **open-end** lines in use by the borrower and the percentage of the amount of approved **open-end** lines that were in use increased slightly in 1989. In 1989 the number of lines in use was 86 percent of the approved lines. The compariable percentage was 80 percent in 1988. Similiarly, the percentage of approved **open-end** credit in use in 1989 was 58.5 percent as compared to 53 percent in 1988.

New Home Lending

The average financial institution approved 1,280 new home equity **open-end** lines in 1989 for an additional amount of **open-end** credit of $46,630,300 (Exhibit 4, pgs. 28-30). The average new home equity **open-end** line was for $33,305 in 1989. The new **open-end** lines were, on average, larger than the average existing **open-end** lines of $32,140.

The average lender booked more home equity **closed-end** loans than **open-end** lines in 1989 (Exhibits 4 & 5, pgs. 28-33). The average lender approved 1,892 new **closed-end** loans in 1989, as compared to 1,280 new **open-end** lines. The amount of **closed-end** loans booked in 1989 was $45,608,100, and the amount of newly approved **open-end** lines were $46,630,300. The average booked **closed-end** loan was $24,463, as compared to $33,305 for the average newly approved **open-end** line in 1989 (Exhibit 6, pgs. 34-36). The new **closed-end** loans were larger than the average **closed-end** loan ($24,463 versus $20,111). This was expected since some of the existing **closed-end** principal has been repaid.

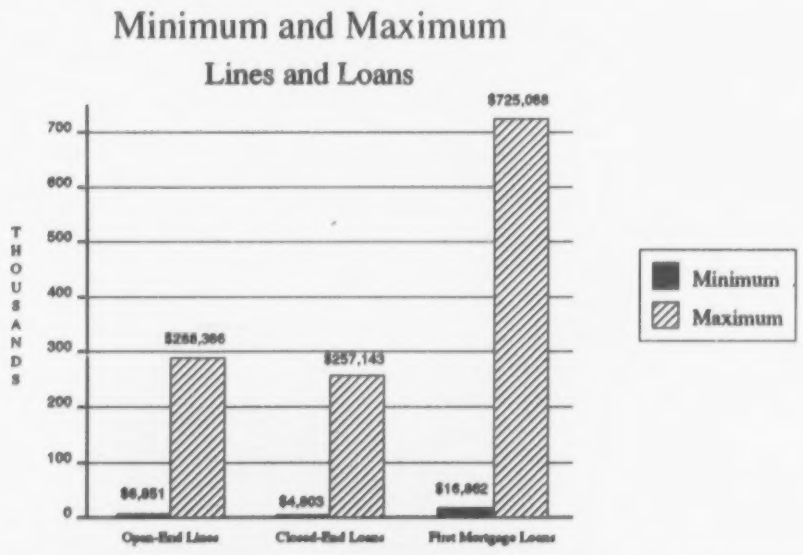
The average lender approved 1,486 new **first mortgages** in 1989 (Exhibit 7, pgs. 37-39), committing $185,455,958. The average new **first mortgage** was $106,718, more than three times the size of the average new **open-end** line and four times the size of the average newly booked **closed-end** loan.

The average minimum new **open-end** line was $6,851, and the average minimum **closed-end** loan was $4,803. The average minimum **first mortgage** was $16,862. The average maximum **open-end** line was $288,386, and the average maximum **closed-end** loan was $257,143. However, the average maximum **first mortgage** was $725,068. (Figure 2) Several lenders did not have any pre-specified maximum line or loan size.

1989 versus 1988

The number of new **open-end** lines in 1989 increased by 15 percent since 1988. However, the booked dollar amount of **open-end** lines in 1989 was only 3 percent more than the dollar amount of **open-end** lines booked in 1988.

Figure 2



Closed-end lending increased sharply in 1989 as compared to 1988. In 1989 the average lender booked 1,892 **closed-end** loans worth $45,589,176, as compared to 949 new loans worth $27,339,565 in 1988. Thus, the average lender doubled the number and dollar amount of new **closed-end** lending from 1988 to 1989. The increased growth in **closed-end** lending created a growth rate gap between **closed-end** lending and the slower growing **open-end** lending.

The average minimum **open-end** line was less in 1989 than in 1988 by almost $550. The average maximum **open-end** line was much larger in 1989 than in 1988, by almost $50,000. There were also more lenders with no stated minimums or maximums on their **open-end, closed-end** and **first mortgages**. It appears that stated minimums and maximums are being eliminated and the loan officers are being granted more flexibility in the size of the loans and lines that they approve.

Variable Rate Lines/Loans

Seventy-four percent of the lenders in 1989 used The Wall Street Journal prime rate as the index for setting the variable rate for **open-end** lines. Another 6 percent of the lenders used a bank prime rate as their index for variable rate **open-end** lines. The average spread over the prime rate was 189 basis points the median spread was 199 basis points. Only 9 percent used a Treasury Bill rate as their index. The average spread over a Treasury Bill rate was 408 basis points, and the median was 400 basis points.

Table 1

Variable Rate Index

	Open-End Lines	Closed-End Loans
The Wall Street Journal Prime Rate	74%	15%
Bank Prime Rate	6%	20%
30 Day Treasury Bill	-	3%
90 Day Treasury Bill	6%	13%
180 Day Treasury Bill	3%	11%
52 Week Treasury Bill		5%
Other	10%	33%

In contrast, only 35 percent of the lenders used a prime rate as the index for their variable rate closed-end loans with 15% using The Wall Street Journal prime rate and 20% using a bank prime rate. The average spread over prime rate for closed-end loans was 215 basis points, and the median was 200 basis points. Treasury Bill rates were used by 34 percent of the lenders for their closed-end index. The average spread over prime rate was 189 basis points and the median spread was 299 basis points.

Table 2

Spread Over Index

	Open-End Lines	Closed-End Loans
Over Prime Rate		
Mean	189 Basis Pts.	215 Basis Pts.
Median	199 Basis Pts.	200 Basis Pts.
Over Treasury Bill		
Mean	408 Basis Pts.	416 Basis Pts.
Median	400 Basis Pts.	400 Basis Pts.

The majority (71 percent) of open-end lenders could or did adjust their variable rate on a monthly basis, while 15 percent used a quarterly adjustment period. In contrast, 33 percent of the closed-end lenders used a quarterly adjustment period. The adjustment period for other closed-end lenders varied from the 26 percent that used a quarterly adjustment period to 14 percent that used a daily period for variable rate adjustments.

Table 3

Variable Rate Adjustment Period

	Open-End Lines	Closed-End Loans
Daily	7%	14%
Weekly	1%	4%
Monthly	71%	33%
Quarterly	15%	26%
Other	5%	23%

1989 versus 1988

The use of The Wall Street Journal prime rate as the index for variable rate open-end lines has increased steadily over the three years, from 42 percent of the lenders in 1987 to 50 percent in 1988 to 74 percent in 1989. The use of a bank prime rate has decreased from 33 percent of lenders in 1987 to 29 percent in 1988 to 6 percent in 1989. Similarly, the use of a Treasury Bill rate has decreased over the last three years from 14 percent of lenders in 1987 to 12 percent in 1988 to only 9 percent in 1989.

The average open-end lines spread over the indexes has fluctuated by only a few basis points over the last three years. However, spreads dropped in 1988 as compared to 1987 and then increased to levels that were greater than the 1988 and 1987 levels. The average variable rate spread over the prime rate was 189 basis points in 1989, 182 basis points in 1988, and 184 basis points in 1987.

Monthly adjustment periods have been most popular for open-end variable rate lines during the last three years. Monthly adjustment periods were used by 70 percent of the lenders in 1987, 64 percent in 1988 and 71 percent in 1989.

Fees

The majority of lenders of open-end lines charged appraisal fees ($155) and recording fees ($23) (Exhibits 8 & 9, pgs. 40-45). The percent of lenders charging appraisal fees increased slightly -- from 63 percent in 1988 to 65 percent in 1989. Still, the level has not yet risen to 79 percent, a high reached in 1987. Recording fees were charged by 64 percent of the lenders in 1989, as compared to 69 percent in 1988 and 77 percent in 1987. Title insurance was charged by 46 percent of the lenders in 1989 as compared to 31 percent of the lenders in 1988, and title search fees were charged by 40 percent in 1989, as compared to 22 percent in 1988. Annual fees were charged by 37 percent of the lenders in 1989, as compared to only 22 percent in 1988.

In general, the percent of lenders charging fees for various loan-processing activities increased in 1989 over 1988. Also, most of the fees increased by $10 to $20 in 1989 over the 1988 fees. Thus, the three- year competitive trend of fewer lenders charging fees has apparently begun to reverse itself.

A greater percentage of **closed-end** lenders charged fees than **open-end** lenders (Exhibits 6, pgs. 34-36 & 8, pgs. 40-42). A majority of **closed-end** lenders charged recording fees ($23), appraisal fees ($150) and title insurance ($228) (Exhibit 10 & 11, pgs. 46-51). Almost half of the **closed-end** lenders also charged for a title search ($84).

Borrower Options

The majority of **open-end** lines (76 percent) could be increased at the borrowers' option, with the approval of the lenders (Exhibit 12, pg. 52). The average cost to the borrower of increasing the **open-end** line was $124 in 1989.

Twenty-nine percent of the lenders allowed the **open-end** borrowers to convert their line from a variable interest rate to a fixed rate. Twenty-five percent of the **closed-end** borrowers were allowed to convert their **closed-end** loan from a variable rate to a fixed rate. Finally, 38 percent of the lenders allowed the **open-end** borrowers to make interest-only payments.

Escrow was required by 64 percent of **first mortgage** lenders (Exhibit 27, pg. 83). All **first mortgage** lenders accepted an owner-occupied house as collateral, but only 82 percent accepted a non-owner-occupied house as collateral. Only 27 percent of lenders accepted a condominium as collateral, and less than 1 percent accepted a co-op as collateral. Second houses and vacation homes were accepted as collateral by 94 percent of the lenders.

Only 7 percent of the **first mortgage** lenders made customer-only loans. Almost 89 percent of the financial institutions required PMI insurance. The average loan-to-value ratio that triggered the PMI insurance requirement was 78.7 percent.

1989 versus 1988

Surprisingly, the percent of lenders allowing an increase in a current line dropped from 92 percent in 1988 to 76 percent in 1989. It is difficult to explain this drop since the current customer's line can often be increased more inexpensively, with less need for an extensive credit check than would be incurred with a new customer. This decrease in percentage of lenders allowing current borrowers the option of increasing their line may reflect institutional restrictions more than a change in borrowers' credit worthiness.

The percent of lenders allowing interest-only payments was slightly higher in 1988 and 1987 (40 percent in both years) than in 1989 (38 percent). The percent of lenders allowing conversion of an open-end variable line to a fixed rate in 1989 was up slightly from 1988 (29 percent in 1989 versus 27 percent in 1988).

Loan Processing

It took the average lender only 12 days to approve and close an open-end line in 1989 (Exhibit 13, pgs. 53-55). The processing time was measured from the receipt of the application to the closing of the line. It took only 10 days to approve and close the average closed-end loan (Exhibit 14, pgs. 56-58). However, it took 36 days for the average lender to close a first mortgage loan (Exhibit 15, pg. 59), which was not surprising since the average first mortgage was three times the size of the average open-end line and four times the average closed-end loan. In addition, the initial credit checks and title searches conducted by the first mortgage lender were often referred to by the home equity lender and not duplicated, thus saving the home equity lender time. The larger lenders were slower in processing first mortgage loans; in fact, there was a direct relationship between size of bank and length of processing time. The average smaller lenders (under $300 million in assets) took only 27 days to process a first mortgage loan, while the average larger lenders (more than $5 billion in assets) took 44 days to process first mortgage loans.

Open-end lines were processed and approved at a central location (59 percent of the lenders), at the branch level (34 percent), and at regional locations (7 percent). Almost half of closed-end loans were processed at a central location (49 percent of the lenders). Most of the remaining were processed at the branch level (43 percent).

The vast majority (83 percent) of open-end lenders used a manual process as opposed to an automated process (17 percent). The same held true in closed-end lending, where 81 percent of the lenders used a manual process and 19 percent used an automated process.

Eighty percent of open-end lenders and 74 percent of closed-end lenders used a judgmental process of approval. Nineteen percent of the open-end lenders used a combination of judgment and credit scoring, as did 25 percent of the closed-end lenders.

Seventy-five percent of open-end applications and 71 percent of closed-end applications were approved in 1989. Of the approved applications, 87 percent of the open-end lines, 88 percent of the closed-end loans, and 87 percent of the first mortgages actually closed. Thus, once a home equity line/loan or first mortgage was approved it closed around 87 percent of the time.

The majority of open-end lenders (55 percent for open-end and 50 percent for closed-end) used a full appraisal for loan approval. Twenty-eight percent of the lenders used a drive-by appraisal for approval of open-end lines, and 13 percent used the borrower's tax assessment. Approximately the same percentage of the open-end lenders and closed-end lenders used drive-by appraisal (28

percent of open-end lenders and 29 percent of closed-end lenders) and tax assessments (13 percent of open-end lenders and 15 percent of closed-end lenders).

Sixty-five percent of the open-end lenders and 89 percent of closed-end lenders offered credit life insurance. However, only 21 percent of the open-end borrowers and 36 percent of the closed-end borrowers actually took the credit life insurance. The average maximum amount of credit life insurance was $54,531 for open-end borrowers and $71,634 for closed-end borrowers.

Finally, a majority (57 percent of open-end lenders and 54 percent of closed-end lenders) required title insurance for some loans. The requirement was often triggered by the size of the line or loan.

Ninety-nine percent of the open-end lenders (Exhibit 16, pgs 60-62) and 98 percent of the closed-end lenders (Exhibit 17, pgs. 63-65) used a debt-to-income formula in this approval process. The average debt-to-gross-income ratio was 38 percent for both open-end lines and closed-end loans. The average debt-to-net-income was 43 percent for both forms of credit.

The average maximum loan-to-value ratio for an owner-occupied residence was 77 percent for open-end lines and 79 percent for closed-end loans. Maximums were 70 percent for open-end lines and 72 percent for closed-end loans secured by a non-owner residence.

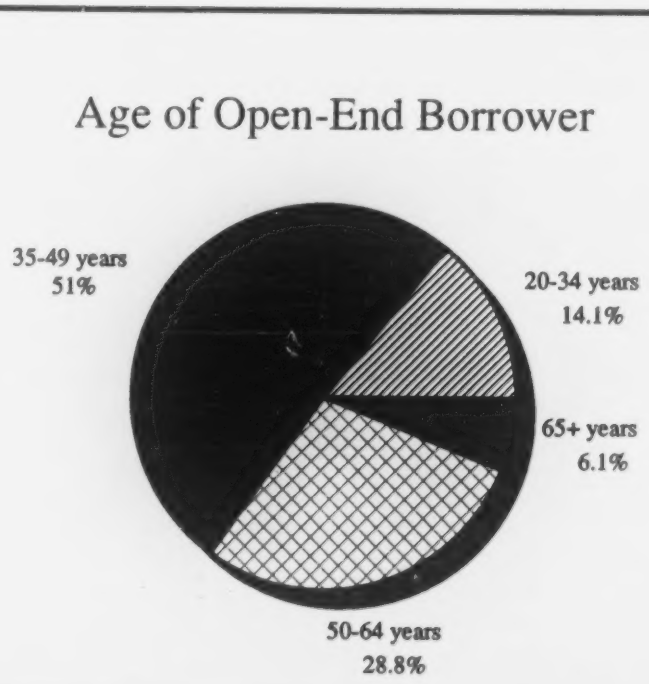
1989 versus 1988

The average processing time has continued to shorten over the past three years and 1989 followed this trend. For open-end lending, processing took an average time of 18 days in 1987, 16 days in 1988, and only 12 days in 1989. The type of appraisal used in the approval process remained fairly constant over the past three years. The percent of approved open-end lines that actually closed has also stayed fairly constant over the past three years (88 percent in 1987 and 1988 and 87 percent in 1989). Approximately 65% of lenders have consistently offered credit life insurance throughout the past three years. However, the maximum amount of credit life insurance in 1989 was $54,531 for open-end lines as compared to $51,000 in 1987 and $55,455 in 1988.

Home Equity Borrowers

The average open-end borrower had a household income of $49,388, had 2.7 dependents, had held the same job for 8.2 years and had owned the same home for 9.0 years (Exhibit 18, pgs. 66-68). The average open-end borrower at a commercial bank had held the same job slightly longer (8.5 years), and had owned the same home longer (9.6 years) than the average borrower at a thrift, 7.1 years and 6.4 years, respectively. The average household incomes of the borrowers were almost identical at the typical commercial bank and at the typical thrift. Not surprising was the finding that the majority (51 percent) of open-end borrowers were between 35 and 49 years of age (Figure 3). The next largest group was borrowers between 50 and 64 years of age.

Figure 3

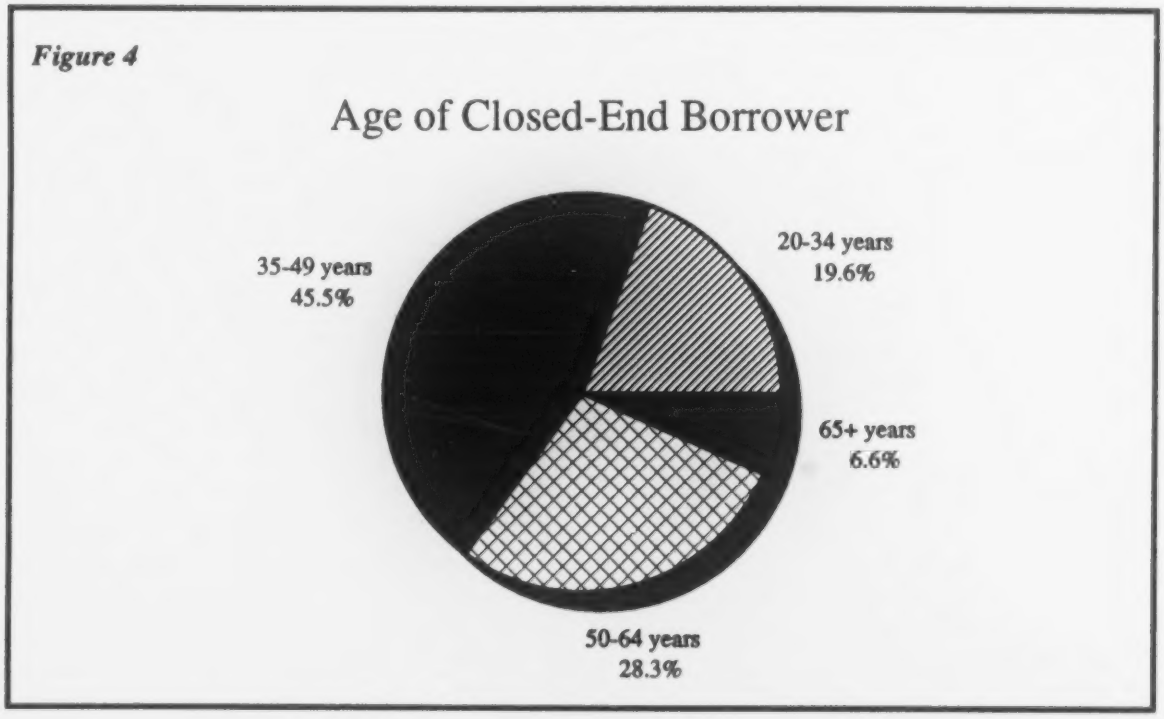


The average borrower at the largest lenders ($5 billion or more in assets) had a higher household income, but had spent much less time at the same job or in the same home. Similarly, borrowers in the West had higher incomes and less time at the same job and in the same home than borrowers in other regions. Borrowers at the smallest lenders (assets under $300 million) had a lower average household income, but a higher average time in the same job and in the same home. Similarily the typical Midwestern borrower had a lower average household income, and a longer period of time in the same job and in the same homes than the borrowers in other regions of the country.

The average age of the **open-end** borrowers was somewhat similar at various lenders except that they tended to be younger in the Northeast and at thrifts, and tended to be older in the South and West and at commercial banks.

The average **closed-end** borrower had a household income of $40,265, had held the same job for 7.7 years and had owned the same home for 8.4 years (Exhibit 19, pgs. 69-71). All of these data were lower for average **closed-end** borrowers than for the average **open-end** borrower. The average **closed-end** borrower was slightly younger than the average **open-end** borrower. The two largest groups of borrowers were 35 to 49 years old (45.5 percent of the borrowers) and 50 to 64 years old (28.3 percent). But the youngest category of borrowers (20 to 34 years of age) represented almost 20 percent of the **closed-end** borrowers and only 14 percent of the **open-end** borrowers. (Figure 4) The average **closed-end** borrower's **first mortgage** and **closed-end** loan represented 65 percent of the appraised value of the borrower's home. This loan-to-value was less than the typical **open-end** loan-to-value of 71 percent. Both of these loan-to-values are well below the average maximum loan-to-value of the **open-end** and **closed-end** lenders, which were 77 and 79 percent, respectively (Exhibits 16 & 17, pgs. 60-65).

Figure 4



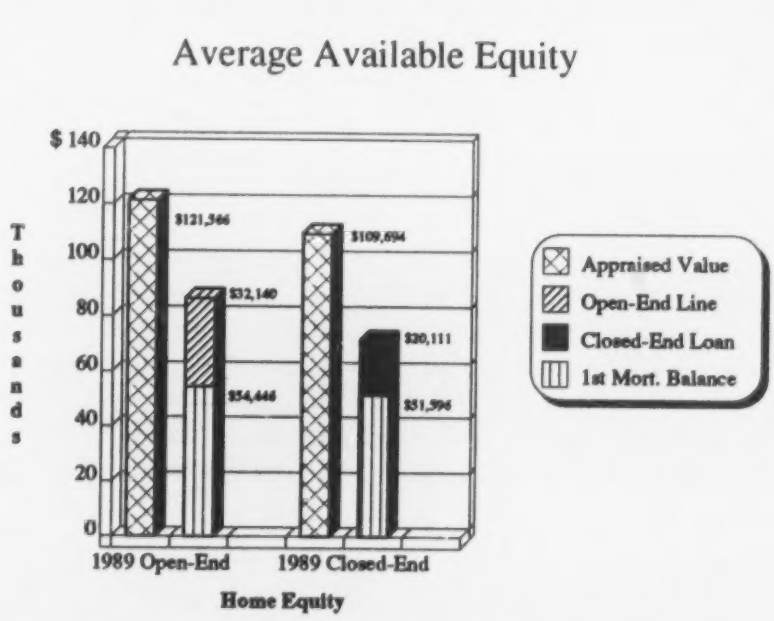
Almost all of the same relative relationships for the average open-end lender also held for the average closed-end lender. The typical borrower at a commercial bank was less mobile (stayed at the same job and owned the same home for a longer period of time) than the average borrower at a thrift. Similarly, the average borrower had the least available equity in the Midwest and the greatest in the Northeast and West. Finally, closed-end borrowers were most mobile in the West and least mobile in the Midwest.

Given an average open-end line of $32,140, an average first mortgage balance of $54,446 and an appraised home value of $121,566, the average open-end borrower had $28,409 equity after deducting the home equity line and the first mortgage (Figure 5). Thus, including the first mortgage and the open-end line, the average borrower had 71 percent of the appraisal value of the home in loans or potential loans. Using the same logic the average closed-end borrower had $34,653 of equity after subtracting the average first mortgage balance of $51,596 and closed-end loan of $20,111. Thus, the average closed-end borrower had loans (first mortgage plus closed-end loans) worth 65 percent of the appraised value of the home.

The average home equity borrower had an approved open-end line of $32,140 or a closed-end loan of $20,111 (Exhibit 6, pgs. 34-36). New borrowers in 1989 received open-end lines of, on average, $33,305, or closed-end loans of $24,463. Notably, new open-end lines were $1,165 larger than the existing open-lines, and new closed-end loans were $4,352 larger than existing closed-end loans. The average new first mortgage of $106,718 was significantly larger than existing first mortgages since many of the first mortgages have been in place for a long period of time and much principal has been previously paid. These larger loans partially reflect the continued presence of

thrifts in the home equity market, since the average size of home equity lines and loans (including first mortgages) was much larger at thrifts than at banks. The average borrowers had drawn only 58.5 percent of their approved open-end line. From the lender's perspective, 86.2 percent of all approved open-end lines were in use at the end of 1989.

Figure 5



The average open-end borrowers had the most available equity (the difference between the appraised value of the home and the first mortgage on that home) in the Northeast and West, at the typical thrift, and at the largest lenders (with assets over $5 billion), probably because of the higher appraised value of those homes. The average borrowers had the least available equity in the South and Midwest, at commercial banks, and at the smallest lenders.

1989 versus 1988

The average household income of **open-end** borrowers was 3 percent higher in 1989 than in 1988 ($49,388 versus $47,952). The average number of dependents was the same in both years. The average number of years both at the same job and in the same home dropped by two-thirds of a year. The average number of years at the same job dropped from 9.0 years to 8.2, and the number of years of same home ownership dropped from 9.8 to 9.0. This drop of two-thirds of a year may not be a cause for concern since borrowers in 1988 were in both the same job and the same home for almost one-half of a year longer in 1988 than in 1987.

Reasons for Borrowing

Home improvement was the primary reason for home equity borrowing in 1989. Fifty-six percent of the **closed-end** borrowers used the funds for home improvement, and 49 percent of the **open-end** borrowers used their line for home improvement (Figures 6 & 7). This use of the funds was most satisfying to the lender since it would increase the value of the collateral and thus decrease the inherent risk of the credit. Debt consolidation was the second most popular use of home equity credit in 1989. It was the most popular use of **open-end** credit in 1988. Other uses of home equity credit included education, consumer purchase investments and needs for liquidity.

Figure 6

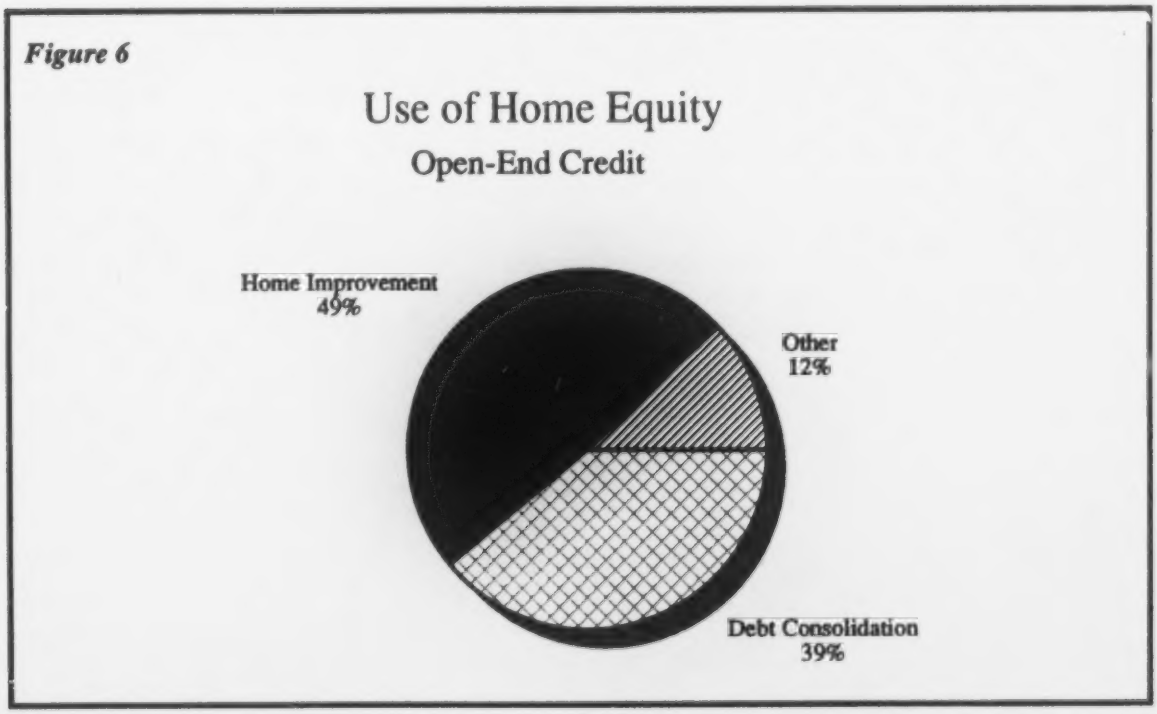
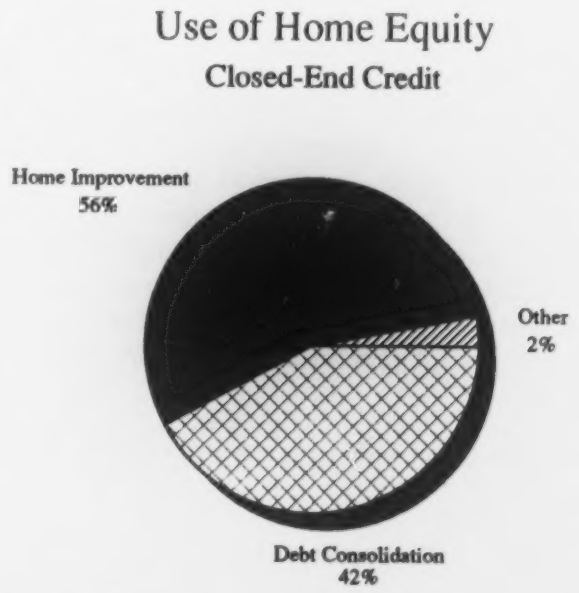


Figure 7



Access to Home Equity Open-end Lines of Credit

Ninety-four percent of all home equity lenders allowed access to open-end lines through checks including draft accounts (Exhibit 20, pgs. 72-74). Sixty-six percent of the lenders allowed personal withdrawal from the open-end line of credit.

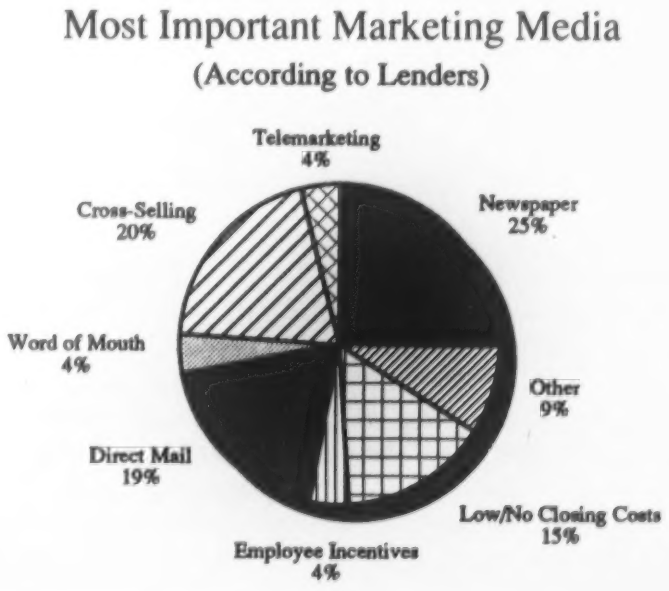
The methods of access varied regionally. Forty-three percent of the Midwestern lenders and 40 percent of the Western lenders allowed access to the open-end lines via telephone, as compared to only 25 percent of the Northeastern lenders. ATMs were more popular in the Northeast (27 percent of the lenders) than in the South (12 percent). They were non-existent in the West. Midwestern lenders tended to offer more methods of access than the other regions' lenders.

The average number of transactions (not including payments) in each account was 18 in 1989 (Exhibit 20, pgs. 72-74). The average dollar amount of transaction per account was $3,895. The number of transactions and total amount of transactions varied by the size of the lender and by the type of lender. There was an inverse relationship between the size of the lenders and the number of transactions--the smaller the lender, the more transactions occurred. Conversely, the dollar amount of transactions was greater at the larger lenders than at the smaller lenders. Of course, the average size of open-end lines tended to be larger at the larger lenders (Exhibit 6, pgs. 34-36). The average number of transactions and dollar amount of transactions were greater at banks than at thrifts.

Marketing Methods

Newspapers remained the most important marketing tool in 1989. Twenty-five percent of all lenders selected newspapers as their most important marketing media. Newspapers have been listed as the most important media for each of the past four years. Twenty percent of the lenders selected cross-selling as their most important marketing method, and 19 percent selected direct mail. No or low closing costs were selected by only 15 percent of the respondents (Figure 8). Twenty percent of the respondents selected no or low closing costs as their primary method in 1988. There appears to have been an increased recognition in 1989 of the expense and loss of loyalty and commitment that was generated by this competitive method of marketing. Lenders seem to be returning to more traditional forms of marketing such as newspapers, cross-selling, and direct mail.

Figure 8



Delinquent Lines and Loans

Home equity delinquency rates, as expected, were below those for consumer credit (excluding unsecured credit cards) (Exhibit 21, pgs. 75-77). The delinquency rate for open-end home equity credit was 1.30 percent in 1989, as compared to the consumer credit (excluding unsecured credit cards) rate of 2.18 percent. The delinquency rate of closed-end home equity loans was 1.37 percent. This rate was slightly higher than the open-end home equity credit rate, but was still well below the consumer credit delinquency rate. The delinquency rates of first mortgages were lower than

either open-end home equity credit or closed-end home equity credit. In 1989, the delinquency rate for first mortgages was .97 percent. As would have been expected from regional economic differences, delinquency rates in the Northeast were the highest in the country, with those in the West tending to be the lowest.

1989 versus 1988

The delinquency rate of open-end home-equity credit in 1989 was lower than in 1988 (1.3 percent and 1.5 percent respectively) and higher than in 1987 (.6 percent). This seems to indicate a promising stabilization of delinquencies since more of the home equity loans have been outstanding for a longer period of time.

Foreclosures

The average lender foreclosed only three open-end home equity lines in 1989 (Exhibit 22, pg. 78). The average amount of foreclosed open-end lines was $142,665. The average line was 94.4 percent outstanding when it was foreclosed. Some lenders' lines were more than 100 percent outstanding at the time of foreclosure because of added interest in arrears to the underlying obligation.

The average lender had four foreclosed closed-end home equity loans in 1989 (Exhibit 23, pg. 79). The total amount of the foreclosed home equity loans was $237,147. The fact that there were slightly more foreclosed closed-end than foreclosed open-end lines may reflect that the average open-end line is newer than the average closed-end loan.

The percent of first mortgages foreclosed in 1989 was .33 percent (Exhibit 24, pg. 80). This represented 39 foreclosed first mortgages for the average lender in 1989. The average lender's first mortgage foreclosures in 1989 totaled $4,055,860. The average amount of charge-offs of first mortgages was $440,632 in 1989. This represented gross charge-offs of .10 percent of first mortgages and net charge-offs of .08 percent.

1989 versus 1988

The average lender's open-end home equity foreclosure was slightly lower in 1989 than in 1988. Foreclosures were $142,665 in 1989 and $177,339 in 1988. Again, this seems to reflect the maturity of home equity lending.

Adjustment Caps

Only 8 percent of the lenders have annual adjustment caps on their variable rate **open-end** lines, but 16 percent of the **closed-end** lenders have annual caps (Exhibit 25 & 26, pgs. 81-82). Seventy-one percent of **closed-end** lenders have lifetime interest caps on their variable interest rate loans. The average lifetime interest rate cap was 19 percent for **open-end** lines and 20 percent for **closed-end** loans. Twenty-seven percent of the **open-end** lenders had a lifetime floor interest rate, which was, on average, 8.7 percent. The 31 percent of the **closed-end** lenders that had lifetime floor interest rates set the interest rate floor at an average 8.1 percent.

Secondary Markets and Securitization

Less than 1 percent of all lenders sell home equity **open-end** lines (.6 percent) or home equity **closed-end** loans (.9 percent) (Exhibit 28, pg. 84). However, the majority of lenders (76.6 percent) sell **first mortgages**. A greater percent of the lenders buy **open-end** lines (3.2 percent) and **closed-end** loans (7.9 percent). In contrast, a smaller percent of the lenders buy **first mortgages** (31.2 percent) than sell them (76.6 percent). Thus, the secondary market for **first mortgages** is quite active in contrast to the sluggish market for **open-end** lines and **closed-end** loans.

Similarly, **first mortgages** are securitized by a high percent of the lenders (46.3 percent), but by a very small percent of **open-end** lenders (8.5 percent) and **closed-end** lenders (7.0 percent). The growth in securitization in 1990 will primarily take place through **first mortgages**. Twenty-one percent of the lenders who do not securitize their **first mortgage** portfolio are planning to begin securitization in 1990. In contrast, only 1.5 percent of the **open-end** lenders and 4.0 percent of the **closed-end** lenders who do not currently securitize their home equity credit are planning to begin securitization in 1990.

Periodic Reviews

Periodic reviews are used by 67 percent of **open-end** lenders (Exhibit 29, pg. 85). The most frequently used review period was an annual review. Approximately 45 percent of the **open-end** lenders used an account monitoring system and the most frequently used systems consisted of internal reports.

Exhibits

INSTITUTION CHARACTERISTICS
($000,000)

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
ASSET SIZE			
Mean	$5,653.0	$4,515.6	$5,459.8
Median	$1,364.2	$2,120.8	$1,428.5
NO. OF BRANCHES OR BANKS			
Mean	67	56	65
Median	32	36	32
GROWTH IN ASSETS			
Mean	7.7%	2.0%	6.9%
Median	7.6%	1.4%	6.6%
RETURN ON ASSETS			
Mean	1.07%	.39%	.98%
Median	1.10%	.41%	1.07%
RETURN ON EQUITY			
Mean	14.7%	5.4%	13.6%
Median	15.1%	7.5%	14.8%
NUMBER OF RESPONDENTS	132	27	159

EXHIBIT 1A

INSTITUTION CHARACTERISTICS
($000,000)

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
ASSET SIZE					
Mean	$7,169.8	$4,607.0	$3,282.3	$9,456.0	$5,459.8
Median	$1,428.5	$2,241.9	$593.5	$3,683.7	$1,428.5
NO. OF BRANCHES OR BANKS					
Mean	70	78	37	108	65
Median	35	40	13	49	32
GROWTH IN ASSETS					
Mean	6.1%	6.7%	7.7%	7.6%	6.9%
Median	6.5%	6.1%	6.4%	9.0%	6.6%
RETURN ON ASSETS					
Mean	.85%	.86%	1.23%	.60%	.98%
Median	.86%	.98%	1.24%	.78%	1.07%
RETURN ON EQUITY					
Mean	11.7%	11.3%	17.0%	11.0%	13.6%
Median	13.1%	14.5%	16.4%	12.9%	14.8%
NUMBER OF RESPONDENTS	49	43	51	16	159

EXHIBIT 1B

INSTITUTION CHARACTERISTICS
($000,000)

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
ASSET SIZE					
Mean	$188.7	$548.0	$2,254.1	$17,650.3	$5,459.8
Median	$186.6	$494.9	$2,027.3	$10,750.0	$1,428.5
NO. OF BRANCHES OR BANKS					
Mean	5	13	53	170	65
Median	5	13	45	145	32
GROWTH IN ASSETS					
Mean	11.4%	6.5%	6.1%	6.7%	6.9%
Median	10.5%	7.0%	5.0%	8.3%	6.6%
RETURN ON ASSETS					
Mean	1.28%	1.08%	.89%	.83%	.98%
Median	1.26%	1.28%	.92%	.96%	1.07%
RETURN ON EQUITY					
Mean	16.5%	13.0%	13.5%	12.4%	13.6%
Median	15.5%	15.3%	13.8%	14.4%	14.8%
NUMBER OF RESPONDENTS	20	38	61	40	159

EXHIBIT 1C

CONSUMER AND HOME EQUITY LINES/LOANS
($000)

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
DOLLARS OF CONSUMER CREDIT			
Mean	$704,233.6	$413,166.5	$668,889.8
Median	$189,000.0	$235,896.0	$199,506.3
NUMBER OF OPEN-END LINES			
Mean	4,923	6,331	5,167
Median	2,103	5,600	2,371
DOLLARS OF APPROVED OPEN-END LINES			
Mean	$163,813.9	$236,098.6	$176,686.5
Median	$55,310.5	$168,269.4	$59,814.0
NUMBER OF OUTSTANDING OPEN-END LINES			
Mean	3,963	5,582	4,231
Median	1,900	4,384	2,039
DOLLARS OF OUTSTANDING OPEN-END LINES			
Mean	$90,699.1	$132,236.2	$97,711.9
Median	$33,313.3	$82,104.3	$36,769.5
NUMBER OF CLOSED-END LOANS			
Mean	4,679	5,933	4,940
Median	1,162	2,636	1,329
DOLLARS OF APPROVED CLOSED-END LOANS			
Mean	$105,230.4	$136,794.4	$110,911.9
Median	$19,167.8	$56,659.4	$22,127.3

EXHIBIT 2A

CONSUMER AND HOME EQUITY LINES/LOANS
($000)

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
DOLLARS OF CONSUMER CREDIT					
Mean	1,064,769.8	$656,559.3	$296,767.7	$677,097.6	$668,889.8
Median	$205,746.6	$370,599.0	$110,175.5	$517,956.4	$199,506.3
NUMBER OF OPEN-END LINES					
Mean	5,484	6,412	3,066	7,575	5,167
Median	3,100	3,703	775	2,842	2,371
DOLLARS OF APPROVED OPEN-END LINES					
Mean	$217,607.4	$176,345.4	$79,881.0	$414,710.8	$176,686.5
Median	$88,071.7	$90,404.6	$17,807.4	$78,998.0	$59,814.0
NUMBER OF OUTSTANDING OPEN-END LINES					
Mean	4,488	4,779	2,758	6,274	4,231
Median	2,600	2,612	683	2,980	2,039
DOLLARS OF OUTSTANDING OPEN-END LINES					
Mean	$122,286.7	$95,568.2	$45,273.6	$196,555.9	$97,711.9
Median	$51,265.7	$47,350.7	$11,174.9	$60,527.3	$36,769.5
NUMBER OF CLOSED-END LOANS					
Mean	3,725	7,348	1,788	11,330	4,940
Median	1,359	3,014	634	3,361	1,329
DOLLARS OF APPROVED CLOSED-END LOANS					
Mean	$53,580.2	$133,746.4	$21,218.7	$448,055.0	$110,911.9
Median	$19,785.0	$53,432.8	$5,966.8	$111,872.7	$22,127.3

EXHIBIT 28

CONSUMER AND HOME EQUITY LINES/LOANS
($000)

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
DOLLARS OF CONSUMER CREDIT					
Mean	$41,705.0	$107,867.4	$459,275.0	2,137,546.4	$668,889.8
Median	$44,110.3	$107,991.5	$463,715.1	$953,005.1	$199,506.3
NUMBER OF OPEN-END LINES					
Mean	313	1,016	5,010	11,836	5,167
Median	203	615	3,582	8,534	2,371
DOLLARS OF APPROVED OPEN-END LINES					
Mean	$7,378.9	$27,568.5	$133,584.6	$472,167.0	$176,686.5
Median	$5,221.0	$18,389.6	$78,202.6	$295,676.9	$59,814.0
NUMBER OF OUTSTANDING OPEN-END LINES					
Mean	266	810	3,710	9,838	4,231
Median	187	516	2,621	6,890	2,039
DOLLARS OF OUTSTANDING OPEN-END LINES					
Mean	$4,722.2	$15,963.0	$74,015.9	$256,418.8	$97,711.9
Median	$3,800.0	$10,079.4	$49,109.0	$173,066.8	$36,769.5
NUMBER OF CLOSED-END LOANS					
Mean	187	612	5,057	9,248	4,940
Median	140	475	2,201	3,600	1,329
DOLLARS OF APPROVED CLOSED-END LOANS					
Mean	$2,469.7	$12,103.2	$77,077.4	$260,800.4	$110,911.9
Median	$2,017.7	$6,735.1	$40,000.0	$72,276.1	$22,127.3

EXHIBIT 2C

OUTSTANDING HOME EQUITY OPEN-END LINES AS A PERCENT OF APPROVED LINES

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
NUMBER OF LINES OUTSTANDING			
Mean	86.6%	84.1%	86.2%
Median	87.6%	89.9%	87.9%
DOLLAR AMOUNT OF LINES OUTSTANDING			
Mean	58.8%	57.5%	58.5%
Median	57.6%	54.1%	56.4%

EXHIBIT 3A

OUTSTANDING HOME EQUITY OPEN-END LINES AS A PERCENT OF APPROVED LINES

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
NUMBER OF LINES OUTSTANDING					
Mean	83.6%	84.4%	89.1%	89.7%	86.2%
Median	87.0%	85.8%	93.3%	90.9%	87.9%
DOLLAR AMOUNT OF LINES OUTSTANDING					
Mean	59.0%	56.2%	60.1%	58.3%	58.5%
Median	59.0%	56.0%	55.3%	53.8%	56.4%

EXHIBIT 3B

OUTSTANDING HOME EQUITY OPEN-END LINES AS A PERCENT OF APPROVED LINES

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
NUMBER OF LINES OUTSTANDING					
Mean	92.5%	91.9%	83.0%	82.6%	86.2%
Median	95.5%	93.7%	87.1%	84.2%	87.9%
DOLLAR AMOUNT OF LINES OUTSTANDING					
Mean	63.6%	60.3%	57.4%	55.9%	58.5%
Median	61.2%	58.3%	56.4%	53.8%	56.4%

EXHIBIT 3C

NEW OPEN-END LINES
ORIGINATED IN 1989
($000)

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
NUMBER OF NEW OPEN-END LINE ORIGINATED IN 89			
Mean	1,155	1,840	1,280
Median	528	857	550
DOLLAR AMT OF OPEN-END LINE ORIGINATED IN 89			
Mean	$40,845.3	$73,040.2	$46,630.3
Median	$11,192.3	$32,845.5	$12,015.7
AVERAGE NEW OPEN-END LINE			
Mean	$32.4	$37.5	$33.3
Median	$26.3	$40.6	$28.3

EXHIBIT 4A

NEW OPEN-END LINES
ORIGINATED IN 1989
($000)

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
NUMBER OF NEW OPEN-END LINE ORIGINATED IN 89					
Mean	1,327	1,144	809	3,052	1,280
Median	720	720	208	752	550
DOLLAR AMT OF OPEN-END LINE ORIGINATED IN 89					
Mean	$50,664.4	$30,444.2	$33,847.8	$117,896.4	$46,630.3
Median	$21,724.3	$23,040.8	$4,210.3	$37,009.0	$12,015.7
AVERAGE NEW OPEN-END LINE					
Mean	$37.8	$30.8	$30.1	$36.1	$33.3
Median	$31.1	$28.6	$23.4	$41.5	$28.3

EXHIBIT 4B

NEW OPEN-END LINES
ORIGINATED IN 1989
($000)

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
NUMBER OF NEW OPEN-END LINE ORIGINATED IN 89					
Mean	59	197	1,191	3,153	1,280
Median	70	129	720	2,150	550
DOLLAR AMT OF OPEN-END LINE ORIGINATED IN 89					
Mean	$1,611.4	$6,593.6	$34,096.4	$138,981.1	$46,630.3
Median	$1,269.7	$4,147.0	$19,204.0	$95,722.9	$12,015.7
AVERAGE NEW OPEN-END LINE					
Mean	$26.2	$34.0	$28.1	$45.6	$33.3
Median	$23.3	$28.6	$26.8	$41.5	$28.3

EXHIBIT 4C

NEW CLOSED-END LOANS
ORIGINATED IN 1989
($000)

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
NUMBER OF NEW CLOSED-END LOAN ORIGINATED IN 89			
Mean	1,896	1,879	1,892
Median	378	963	487
DOLLAR AMT OF CLOSED-END LOAN ORIGINATED IN 89			
Mean	$44,285.5	$50,766.4	$45,608.1
Median	$8,422.3	$27,885.6	$11,037.5
AVERAGE NEW CLOSED-END LOAN			
Mean	$23.7	$27.5	$24.5
Median	$19.1	$27.2	$19.7

EXHIBIT 5A

NEW CLOSED-END LOANS
ORIGINATED IN 1989
($000)

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
NUMBER OF NEW CLOSED-END LOAN ORIGINATED IN 89					
Mean	1,580	2,461	636	5,580	1,892
Median	394	1,069	257	1,180	487
DOLLAR AMT OF CLOSED-END LOAN ORIGINATED IN 89					
Mean	$30,492.7	$44,863.0	$11,026.3	$209,902.5	$45,608.1
Median	$13,826.5	$21,925.0	$3,492.4	$34,768.6	$11,037.5
AVERAGE NEW CLOSED-END LOAN					
Mean	$32.7	$24.4	$16.4	$32.2	$24.5
Median	$26.0	$21.9	$16.0	$32.4	$19.7

EXHIBIT 5B

NEW CLOSED-END LOANS
ORIGINATED IN 1989
($000)

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
NUMBER OF NEW CLOSED-END LOAN ORIGINATED IN 89					
Mean	65	272	2,039	3,416	1,892
Median	65	193	912	1,242	487
DOLLAR AMT OF CLOSED-END LOAN ORIGINATED IN 89					
Mean	$1,434.1	$5,250.4	$32,772.6	$111,494.6	$45,608.1
Median	$1,233.8	$3,015.8	$17,367.0	$32,500.0	$11,037.5
AVERAGE NEW CLOSED-END LOAN					
Mean	$19.8	$16.0	$21.9	$35.6	$24.5
Median	$15.4	$16.0	$21.9	$24.3	$19.7

EXHIBIT 5C

AVERAGE SIZE OF LINES AND LOANS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
AVERAGE APPROVED OPEN-END LINE			
Mean	$31,182	$36,455	$32,140
Median	$28,345	$36,047	$28,512
AVERAGE OUTSTANDING OPEN-END LINE			
Mean	$21,840	$24,916	$22,353
Median	$18,583	$22,944	$19,034
AVERAGE NEW OPEN-END LINE			
Mean	$32,358	$37,504	$33,305
Median	$26,326	$40,639	$28,346
AVERAGE CLOSED-END LOAN			
Mean	$19,193	$24,086	$20,111
Median	$14,892	$23,827	$16,370
AVERAGE NEW CLOSED-END LOAN			
Mean	$23,706	$27,491	$24,463
Median	$19,058	$27,216	$19,664
AVERAGE FIRST MORTGAGE			
Mean	$55,391	$80,260	$59,989
Median	$50,788	$72,317	$52,408
AVERAGE NEW FIRST MORTGAGE			
Mean	$101,230	$130,166	$106,718
Median	$81,936	$109,313	$86,005

EXHIBIT 6A

AVERAGE SIZE OF LINES AND LOANS

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
AVERAGE APPROVED OPEN-END LINE					
Mean	$35,065	$31,936	$26,873	$42,140	$32,140
Median	$32,133	$30,797	$25,231	$47,621	$28,512
AVERAGE OUTSTANDING OPEN-END LINE					
Mean	$25,417	$21,618	$18,845	$26,056	$22,353
Median	$22,324	$20,250	$15,479	$26,355	$19,034
AVERAGE NEW OPEN-END LINE					
Mean	$37,833	$30,784	$30,078	$36,103	$33,305
Median	$31,143	$28,561	$23,352	$41,505	$28,346
AVERAGE CLOSED-END LOAN					
Mean	$24,694	$22,433	$13,132	$26,462	$20,111
Median	$20,677	$19,512	$13,088	$23,988	$16,370
AVERAGE NEW CLOSED-END LOAN					
Mean	$32,680	$24,384	$16,445	$32,161	$24,463
Median	$25,955	$21,879	$15,971	$32,398	$19,664
AVERAGE FIRST MORTGAGE					
Mean	$60,637	$66,383	$46,142	$89,865	$59,989
Median	$52,359	$59,972	$41,975	$89,243	$52,408
AVERAGE NEW FIRST MORTGAGE					
Mean	$128,321	$108,657	$77,243	$132,374	$106,718
Median	$110,746	$91,815	$75,017	$136,106	$86,005

EXHIBIT 6B

AVERAGE SIZE OF LINES AND LOANS

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
AVERAGE APPROVED OPEN-END LINE					
Mean	$25,832	$30,138	$29,995	$40,297	$32,140
Median	$23,557	$27,915	$27,770	$39,087	$28,512
AVERAGE OUTSTANDING OPEN-END LINE					
Mean	$18,231	$20,422	$20,927	$27,874	$22,353
Median	$15,140	$18,543	$19,247	$24,016	$19,034
AVERAGE NEW OPEN-END LINE					
Mean	$26,219	$34,024	$28,075	$45,550	$33,305
Median	$23,271	$28,624	$26,788	$41,505	$28,346
AVERAGE CLOSED-END LOAN					
Mean	$12,427	$16,312	$19,445	$26,065	$20,111
Median	$12,536	$13,974	$17,728	$20,355	$16,370
AVERAGE NEW CLOSED-END LOAN					
Mean	$19,839	$15,966	$21,903	$35,555	$24,463
Median	$15,446	$16,000	$21,879	$24,289	$19,664
AVERAGE FIRST MORTGAGE					
Mean	$37,619	$54,283	$66,859	$68,963	$59,989
Median	$32,866	$43,408	$59,811	$63,278	$52,408
AVERAGE NEW FIRST MORTGAGE					
Mean	$55,121	$116,884	$109,213	$124,596	$106,718
Median	$50,505	$84,172	$96,884	$104,742	$86,005

EXHIBIT 6C

FIRST MORTGAGES
($000)

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
NUMBER OF NEW FIRST MORTGAGE			
Mean	1,126	3,055	1,486
Median	319	1,248	422
DOLLAR AMT OF NEW FIRST MORTGAGE			
Mean	$139,992.4	$381,775.8	$185,456.0
Median	$31,000.0	$117,212.6	$42,255.3
AVERAGE NEW FIRST MORTGAGE			
Mean	$101.2	$130.2	$106.7
Median	$81.9	$109.3	$86.0
NUMBER OF FIRST MORTGAGE LOANS			
Mean	11,377	28,501	14,543
Median	2,154	8,992	2,497
DOLLAR OF OUTSTANDING FIRST MORTGAGE			
Mean	$523,914.4	$1,921,067.0	$777,942.1
Median	$96,617.0	$563,685.0	$125,679.3

EXHIBIT 7A

FIRST MORTGAGES
($000)

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
NUMBER OF NEW FIRST MORTGAGE					
Mean	1,162	2,019	1,078	2,518	1,486
Median	412	1,077	288	690	422
DOLLAR AMT OF NEW FIRST MORTGAGE					
Mean	$193,757.1	$207,121.9	$92,003.6	$419,310.7	$185,456.0
Median	$42,255.3	$96,936.7	$18,000.0	$96,127.6	$42,255.3
AVERAGE NEW FIRST MORTGAGE					
Mean	$128.3	$108.7	$77.2	$132.4	$106.7
Median	$110.7	$91.8	$75.0	$136.1	$86.0
NUMBER OF FIRST MORTGAGE LOANS					
Mean	17,092	16,036	9,502	19,206	14,543
Median	3,158	7,888	1,253	5,860	2,497
DOLLAR OF OUTSTANDING FIRST MORTGAGE					
Mean	$752,544.0	$857,715.7	$389,854.9	$2,063,961.0	$777,942.1
Median	$149,563.6	$462,722.2	$62,774.3	$303,291.1	$125,679.3

EXHIBIT 7B

FIRST MORTGAGES
($000)

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
NUMBER OF NEW FIRST MORTGAGE					
Mean	143	391	945	4,406	1,486
Median	119	288	552	1,733	422
DOLLAR AMT OF NEW FIRST MORTGAGE					
Mean	$7,564.3	$42,119.4	$89,102.3	$588,211.0	$185,456.0
Median	$6,143.2	$20,312.9	$48,418.1	$277,391.0	$42,255.3
AVERAGE NEW FIRST MORTGAGE					
Mean	$55.1	$116.9	$109.2	$124.6	$106.7
Median	$50.5	$84.2	$96.9	$104.7	$86.0
NUMBER OF FIRST MORTGAGE LOANS					
Mean	901	2,231	7,404	48,709	14,543
Median	818	2,019	3,764	18,000	2,497
DOLLAR OF OUTSTANDING FIRST MORTGAGE					
Mean	$33,623.2	$103,112.4	$415,141.3	$2,560,055.6	$777,942.1
Median	$26,963.5	$75,212.5	$180,502.1	$921,880.0	$125,679.3

EXHIBIT 7C

PERCENT OF INSTITUTIONS CHARGING FEES FOR OPEN-END LINES

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
ANNUAL FEE	36%	42%	37%
APPLICATION FEE	10%	8%	10%
APPRAISAL FEE	66%	58%	65%
ATTORNEY FEE	22%	27%	23%
CLOSING FEE	4%	19%	7%
CREDIT-CHECK FEE	9%	15%	10%
LOAN SET-UP FEE	8%	0%	6%
MORTGAGE TAX	11%	31%	14%
POINTS	5%	8%	5%
PROPERTY REPORT FEE	15%	0%	12%
RECORDING FEE	65%	62%	64%
SUBORDINATION FEE	13%	12%	13%
TITLE INSURANCE	46%	46%	46%
TITLE SEARCH	40%	42%	40%
COMMITMENT FEE	2%	4%	3%

EXHIBIT 8A

PERCENT OF INSTITUTIONS CHARGING FEES FOR OPEN-END LINES

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
ANNUAL FEE	10%	15%	73%	63%	37%
APPLICATION FEE	17%	2%	8%	13%	10%
APPRAISAL FEE	35%	80%	80%	63%	65%
ATTORNEY FEE	23%	41%	12%	13%	23%
CLOSING FEE	10%	5%	4%	6%	7%
CREDIT-CHECK FEE	8%	7%	6%	31%	10%
LOAN SET-UP FEE	4%	0%	10%	19%	6%
MORTGAGE TAX	15%	30%	6%	0%	14%
POINTS	8%	0%	2%	19%	5%
PROPERTY REPORT FEE	17%	13%	12%	0%	12%
RECORDING FEE	44%	80%	74%	56%	64%
SUBORDINATION FEE	17%	10%	6%	31%	13%
TITLE INSURANCE	35%	50%	50%	56%	46%
TITLE SEARCH	23%	48%	55%	27%	40%
COMMITMENT FEE	0%	5%	4%	0%	3%

EXHIBIT 8B

PERCENT OF INSTITUTIONS CHARGING FEES FOR OPEN-END LINES

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
ANNUAL FEE	65%	30%	30%	41%	37%
APPLICATION FEE	20%	8%	3%	15%	10%
APPRAISAL FEE	95%	62%	57%	64%	65%
ATTORNEY FEE	20%	32%	17%	26%	23%
CLOSING FEE	0%	6%	7%	10%	7%
CREDIT-CHECK FEE	5%	5%	8%	18%	10%
LOAN SET-UP FEE	5%	14%	3%	5%	6%
MORTGAGE TAX	0%	8%	17%	23%	14%
POINTS	0%	3%	3%	13%	5%
PROPERTY REPORT FEE	5%	14%	12%	16%	12%
RECORDING FEE	84%	64%	55%	69%	64%
SUBORDINATION FEE	0%	14%	17%	13%	13%
TITLE INSURANCE	53%	44%	40%	54%	46%
TITLE SEARCH	42%	43%	29%	54%	40%
COMMITMENT FEE	0%	3%	3%	3%	3%

EXHIBIT 8C

FEES CHARGED FOR OPEN-END LINES

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
ANNUAL FEE	$37	$38	$37
APPLICATION FEE	$133	$250	$150
APPRAISAL FEE	$145	$214	$155
ATTORNEY FEE	$154	$329	$191
CLOSING FEE	$138	$123	$130
CREDIT-CHECK FEE	$6	$17	$9
LOAN SET-UP FEE	$111	.	$111
MORTGAGE TAX	$236	.	$236
POINTS	.	.	1.3
PROPERTY REPORT FEE	$71	$55	$70
RECORDING FEE	$24	$17	$23
SUBORDINATION FEE	$57	$100	$63
TITLE INSURANCE	$263	$280	$266
TITLE SEARCH	$89	$106	$92
UNUSED COMMITMENT FEE	$100	$30	$65

EXHIBIT 9A

FEES CHARGED FOR OPEN-END LINES

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
ANNUAL FEE	$22	$35	$36	$50	$37
APPLICATION FEE	$166	$50	$119	$250	$150
APPRAISAL FEE	$150	$171	$132	$205	$155
ATTORNEY FEE	$158	$248	$84	$73	$191
CLOSING FEE	$98	.	$163	.	$130
CREDIT-CHECK FEE	$4	$17	$9	$5	$9
LOAN SET-UP FEE	$175	.	$47	$300	$111
MORTGAGE TAX	$370	$146	.	.	$236
POINTS	.	.	.	.	1.3
PROPERTY REPORT FEE	$72	$66	$69	$75	$70
RECORDING FEE	$21	$38	$14	$18	$23
SUBORDINATION FEE	$68	$105	$5	$41	$63
TITLE INSURANCE	$544	$233	$219	$272	$266
TITLE SEARCH	$144	$91	$84	$100	$92
UNUSED COMMITMENT FEE	.	$30	$100	.	$65

EXHIBIT 9B

FEES CHARGED FOR OPEN-END LINES

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
ANNUAL FEE	$37	$33	$35	$42	$37
APPLICATION FEE	$125	$200	$100	$160	$150
APPRAISAL FEE	$116	$114	$175	$193	$155
ATTORNEY FEE	$109	$132	$292	$196	$191
CLOSING FEE	.	$175	$115	.	$130
CREDIT-CHECK FEE	$10	$3	$12	$5	$9
LOAN SET-UP FEE	$35	$88	$167	.	$111
MORTGAGE TAX	.	$150	$275	$251	$236
POINTS	.	.	.	.	1.3
PROPERTY REPORT FEE	$55	$39	$73	$93	$70
RECORDING FEE	$14	$17	$19	$41	$23
SUBORDINATION FEE	.	$34	$86	$31	$63
TITLE INSURANCE	$204	$291	$251	$318	$266
TITLE SEARCH	$78	$101	$96	$87	$92
UNUSED COMMITMENT FEE	.	$100	$30	.	$65

EXHIBIT 9C

PERCENT OF INSTITUTIONS CHARGING FEES FOR CLOSED-END LOANS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
ANNUAL FEE	3%	14%	5%
APPLICATION FEE	9%	0%	7%
APPRAISAL FEE	76%	76%	76%
ATTORNEY FEE	21%	40%	24%
CLOSING FEE	5%	15%	7%
CREDIT CHECK FEE	13%	24%	15%
LOAN SET UP FEE	12%	5%	10%
MORTGAGE TAX	10%	33%	14%
POINTS	26%	19%	25%
PROPERTY REPORT	14%	5%	13%
RECORDING FEE	82%	76%	81%
SUBORDINATION FEE	13%	14%	14%
TITLE INSURANCE	51%	52%	52%
TITLE SEARCH	49%	52%	49%

EXHIBIT 10A

PERCENT OF INSTITUTIONS CHARGING FEES FOR CLOSED-END LOANS

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
ANNUAL FEE	0%	0%	9%	14%	5%
APPLICATION FEE	9%	3%	9%	7%	7%
APPRAISAL FEE	52%	85%	87%	79%	76%
ATTORNEY FEE	21%	55%	9%	8%	24%
CLOSING FEE	6%	9%	7%	0%	7%
CREDIT CHECK FEE	26%	15%	5%	21%	15%
LOAN SET UP FEE	0%	3%	18%	29%	10%
MORTGAGE TAX	15%	30%	7%	0%	14%
POINTS	18%	27%	16%	64%	25%
PROPERTY REPORT	27%	6%	9%	7%	13%
RECORDING FEE	71%	91%	82%	79%	81%
SUBORDINATION FEE	21%	15%	2%	29%	14%
TITLE INSURANCE	35%	55%	53%	79%	52%
TITLE SEARCH	29%	58%	61%	38%	49%

EXHIBIT 10B

PERCENT OF INSTITUTIONS CHARGING FEES FOR CLOSED-END LOANS

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
ANNUAL FEE	7%	4%	4%	6%	5%
APPLICATION FEE	20%	0%	4%	13%	7%
APPRAISAL FEE	93%	78%	71%	75%	76%
ATTORNEY FEE	20%	22%	24%	29%	24%
CLOSING FEE	0%	4%	11%	3%	7%
CREDIT CHECK FEE	7%	8%	17%	22%	15%
LOAN SET UP FEE	13%	13%	7%	13%	10%
MORTGAGE TAX	0%	8%	20%	16%	14%
POINTS	20%	17%	20%	41%	25%
PROPERTY REPORT	7%	22%	11%	13%	13%
RECORDING FEE	87%	79%	82%	78%	81%
SUBORDINATION FEE	0%	13%	18%	13%	14%
TITLE INSURANCE	40%	46%	49%	66%	52%
TITLE SEARCH	57%	50%	44%	53%	49%

EXHIBIT 10C

FEES CHARGED FOR CLOSED-END LOANS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
ANNUAL FEE	$39	$73	$56
APPLICATION FEE	$108	.	$108
APPRAISAL FEE	$139	$205	$150
ATTORNEY FEE	$169	$304	$209
CLOSING FEE	$125	$88	$113
CREDIT CHECK FEE	$18	$17	$18
LOAN SET UP FEE	$80	$50	$78
MORTGAGE TAX	$275	.	$275
POINTS	1.7%	1.9%	1.7%
PROPERTY REPORT	$68	$25	$65
RECORDING FEE	$24	$18	$23
SUBORDINATION FEE	$59	$83	$64
TITLE INSURANCE	$231	$213	$228
TITLE SEARCH	$80	$101	$84

EXHIBIT 11A

FEES CHARGED FOR CLOSED-END LOANS

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
ANNUAL FEE	.	.	$41	$100	$56
APPLICATION FEE	$142	$50	$113	$50	$108
APPRAISAL FEE	$118	$175	$132	$209	$150
ATTORNEY FEE	$175	$243	$93	$73	$209
CLOSING FEE	$63	$200	$117	.	$113
CREDIT CHECK FEE	$16	$23	$30	$5	$18
LOAN SET UP FEE	$430	$50	$49	$45	$78
MORTGAGE TAX	$350	.	$50	.	$275
POINTS	1.7%	1.8%	1.8%	1.5%	1.7%
PROPERTY REPORT	$69	$55	$75	$38	$65
RECORDING FEE	$24	$39	$14	$18	$23
SUBORDINATION FEE	$62	$106	$5	$43	$64
TITLE INSURANCE	$336	$220	$180	$262	$228
TITLE SEARCH	$52	$89	$88	$75	$84

EXHIBIT 11B

FEES CHARGED FOR CLOSED-END LOANS

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
ANNUAL FEE	$43	.	$45	$68	$56
APPLICATION FEE	$100	.	$100	$119	$108
APPRAISAL FEE	$112	$120	$165	$177	$150
ATTORNEY FEE	$78	$150	$290	$196	$209
CLOSING FEE	.	$175	$100	.	$113
CREDIT CHECK FEE	$10	$27	$11	$23	$18
LOAN SET UP FEE	$35	$100	$103	$42	$78
MORTGAGE TAX	.	.	$388	$163	$275
POINTS	1.7%	1.6%	1.8%	1.7%	1.7%
PROPERTY REPORT	$55	$40	$79	$86	$65
RECORDING FEE	$13	$19	$19	$40	$23
SUBORDINATION FEE	.	$22	$86	$38	$64
TITLE INSURANCE	$131	$203	$232	$276	$228
TITLE SEARCH	$83	$69	$89	$87	$84

EXHIBIT 11C

BORROWER OPTIONS

OPEN-END LINES (PERCENT ALLOWING)	
INTEREST ONLY PAYMENTS	38.2%
CONVERSION TO FIXED RATE	29.2%
AN INCREASE IN LINE	76.1%
COST OF INCREASING LINE	$124
CLOSED-END LOANS (PERCENT ALLOWING)	
CONVERSION TO FIXED RATE	25.3%

EXHIBIT 12

LOAN PROCESSING FOR OPEN-END LINES

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
PROCESSING TIME IN DAYS	12	13	12
HOW PROCESSED			
BRANCH LEVEL	38%	15%	34%
REGIONAL	6%	12%	7%
CENTRAL	57%	73%	59%
PROCESS			
MANUAL	84%	80%	83%
AUTOMATED	16%	20%	17%
METHOD USED			
CREDIT SCORING	1%	0%	1%
JUDGMENTAL	81%	77%	80%
COMBINATION	19%	23%	19%
PERCENT OF APPROVED	76%	74%	75%
PERCENT OF CLOSED	89%	77%	87%
TYPE OF APPRAISALS			
FULL	57%	44%	55%
DRIVE-BY	26%	40%	28%
TAX	13%	15%	13%
REQUIRE TITLE INSURANCE	58%	54%	57%
OFFER CREDIT LIFE	68%	50%	65%
MAX AMT OF INSURANCE	$55,663	$47,308	$54,531
PERCENT TAKING INSURANCE	22%	10%	21%

EXHIBIT 13A

LOAN PROCESSING FOR OPEN-END LINES

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
PROCESSING TIME IN DAYS	13	12	10	12	12
HOW PROCESSED					
BRANCH LEVEL	28%	34%	43%	25%	34%
REGIONAL	4%	5%	10%	6%	7%
CENTRAL	68%	61%	47%	69%	59%
PROCESS					
MANUAL	80%	90%	86%	69%	83%
AUTOMATED	20%	10%	14%	31%	17%
METHOD USED					
CREDIT SCORING	2%	0%	0%	0%	1%
JUDGMENTAL	85%	80%	76%	75%	80%
COMBINATION	13%	20%	24%	25%	19%
PERCENT OF APPROVED	72%	78%	79%	67%	75%
PERCENT OF CLOSED	83%	86%	92%	83%	87%
TYPE OF APPRAISALS					
FULL	48%	49%	67%	55%	55%
DRIVE-BY	40%	29%	14%	33%	28%
TAX	10%	15%	16%	8%	13%
REQUIRE TITLE INSURANCE	45%	51%	63%	94%	57%
OFFER CREDIT LIFE	79%	59%	63%	50%	65%
MAX AMT OF INSURANCE	$60,833	$34,792	$57,414	$77,857	$54,531
PERCENT TAKING INSURANCE	29%	16%	19%	9%	21%

EXHIBIT 13B

LOAN PROCESSING FOR OPEN-END LINES

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
PROCESSING TIME IN DAYS	10	12	10	15	12
HOW PROCESSED					
BRANCH LEVEL	50%	47%	30%	21%	34%
REGIONAL	0%	3%	3%	18%	7%
CENTRAL	50%	50%	67%	62%	59%
PROCESS					
MANUAL	89%	97%	80%	74%	83%
AUTOMATED	11%	3%	20%	26%	17%
METHOD USED					
CREDIT SCORING	0%	0%	2%	0%	1%
JUDGMENTAL	74%	81%	80%	82%	80%
COMBINATION	26%	19%	18%	18%	19%
PERCENT OF APPROVED	86%	80%	74%	68%	75%
PERCENT OF CLOSED	92%	91%	86%	81%	87%
TYPE OF APPRAISALS					
FULL	72%	56%	48%	57%	55%
DRIVE-BY	20%	31%	29%	28%	28%
TAX	6%	11%	18%	12%	13%
REQUIRE TITLE INSURANCE	70%	51%	49%	69%	57%
OFFER CREDIT LIFE	75%	61%	70%	56%	65%
MAX AMT OF INSURANCE	$50,333	$63,947	$55,610	$46,905	$54,531
PERCENT TAKING INSURANCE	26%	21%	22%	12%	21%

EXHIBIT 13C

LOAN PROCESSING FOR CLOSED-END LOANS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
PROCESSING TIME IN DAYS	10	13	10
HOW PROCESSED			
BRANCH LEVEL	48%	19%	43%
REGIONAL	7%	10%	8%
CENTRAL	44%	71%	49%
PROCESS			
MANUAL	80%	86%	81%
AUTOMATED	20%	14%	19%
METHOD USED			
CREDIT SCORING	1%	0%	1%
JUDGMENTAL	72%	81%	74%
COMBINATION	27%	19%	25%
PERCENT OF APPROVED	71%	74%	71%
PERCENT OF CLOSED	89%	79%	88%
TYPE OF APPRAISALS			
FULL	50%	52%	50%
DRIVE-BY	29%	29%	29%
TAX	15%	18%	15%
REQUIRE TITLE INSURANCE	53%	57%	54%
OFFER CREDIT LIFE	90%	81%	89%
MAX AMT OF INSURANCE	$74,167	$59,118	$71,634
PERCENT TAKING INSURANCE	40%	16%	36%

EXHIBIT 14A

LOAN PROCESSING FOR CLOSED-END LOANS

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
PROCESSING TIME IN DAYS	13	10	8	11	10
HOW PROCESSED					
BRANCH LEVEL	39%	38%	56%	29%	43%
REGIONAL	3%	9%	10%	7%	8%
CENTRAL	58%	53%	34%	64%	49%
PROCESS					
MANUAL	82%	81%	86%	64%	81%
AUTOMATED	18%	19%	14%	36%	19%
METHOD USED					
CREDIT SCORING	3%	0%	0%	0%	1%
JUDGMENTAL	88%	66%	70%	71%	74%
COMBINATION	9%	34%	30%	29%	25%
PERCENT OF APPROVED	67%	73%	75%	68%	71%
PERCENT OF CLOSED	82%	86%	93%	88%	88%
TYPE OF APPRAISALS					
FULL	36%	52%	59%	55%	50%
DRIVE-BY	48%	26%	16%	25%	29%
TAX	11%	14%	20%	10%	15%
REQUIRE TITLE INSURANCE	41%	53%	52%	93%	54%
OFFER CREDIT LIFE	82%	94%	93%	79%	89%
MAX AMT OF INSURANCE	$54,800	$69,516	$81,000	$87,500	$71,634
PERCENT TAKING INSURANCE	46%	31%	38%	20%	36%

EXHIBIT 14B

LOAN PROCESSING FOR CLOSED-END LOANS

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
PROCESSING TIME IN DAYS	8	9	9	14	10
HOW PROCESSED					
BRANCH LEVEL	69%	57%	43%	23%	43%
REGIONAL	0%	4%	6%	17%	8%
CENTRAL	31%	39%	52%	60%	49%
PROCESS					
MANUAL	93%	96%	80%	68%	81%
AUTOMATED	7%	4%	20%	32%	19%
METHOD USED					
CREDIT SCORING	0%	0%	2%	0%	1%
JUDGMENTAL	86%	83%	74%	61%	74%
COMBINATION	14%	17%	24%	39%	25%
PERCENT OF APPROVED	75%	77%	72%	65%	71%
PERCENT OF CLOSED	91%	93%	85%	86%	88%
TYPE OF APPRAISALS					
FULL	78%	45%	42%	56%	50%
DRIVE-BY	15%	33%	34%	24%	29%
TAX	6%	16%	17%	15%	15%
REQUIRE TITLE INSURANCE	60%	46%	47%	70%	54%
OFFER CREDIT LIFE	100%	79%	94%	80%	89%
MAX AMT OF INSURANCE	$56,786	$79,118	$68,542	$82,045	$71,634
PERCENT TAKING INSURANCE	41%	44%	31%	39%	36%

EXHIBIT 14C

LOAN PROCESSING FOR FIRST MORTGAGES

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
PROCESSING TIME IN DAYS	35	41	36
PERCENTAGE OF CLOSED FIRSTS	89%	78%	87%

EXHIBIT 15A

LOAN PROCESSING FOR FIRST MORTGAGES

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
PROCESSING TIME IN DAYS	27	32	37	44	36
PERCENTAGE OF CLOSED FIRSTS	91%	87%	88%	83%	87%

EXHIBIT 15B

LOAN PROCESSING FOR FIRST MORTGAGES

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
PROCESSING TIME IN DAYS	43	33	32	37	36
PERCENTAGE OF CLOSED FIRSTS	89%	88%	86%	84%	87%

EXHIBIT 15C

DEBT-TO-INCOME AND LOAN-TO-VALUE RATIOS
OPEN-END LINES

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
USE DEBT-TO-INCOME FORMULA	98%	100%	99%
PERCENT ON GROSS INCOME	38%	38%	38%
PERCENT ON NET INCOME	42%	49%	43%
MAX L-T-V RATIO FOR OWNER RESIDENCE	76%	79%	77%
MAX L-T-V RATIO FOR NON-OWNER RESIDENCE	70%	71%	70%

EXHIBIT 16A

DEBT-TO-INCOME AND LOAN-TO-VALUE RATIOS
OPEN-END LINES

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
USE DEBT-TO-INCOME FORMULA	100%	95%	100%	100%	99%
PERCENT ON GROSS INCOME	38%	38%	37%	40%	38%
PERCENT ON NET INCOME	43%	44%	42%	43%	43%
MAX L-T-V RATIO FOR OWNER RESIDENCE	75%	79%	77%	76%	77%
MAX L-T-V RATIO FOR NON-OWNER RESIDENCE	70%	70%	72%	68%	70%

EXHIBIT 16B

DEBT-TO-INCOME AND LOAN-TO-VALUE RATIOS
OPEN-END LINES

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
USE DEBT-TO-INCOME FORMULA	100%	97%	100%	97%	99%
PERCENT ON GROSS INCOME	37%	37%	39%	38%	38%
PERCENT ON NET INCOME	42%	42%	44%	42%	43%
MAX L-T-V RATIO FOR OWNER RESIDENCE	76%	76%	77%	78%	77%
MAX L-T-V RATIO FOR NON-OWNER RESIDENCE	75%	69%	69%	71%	70%

EXHIBIT 16C

DEBT-TO-INCOME AND LOAN-TO-VALUE RATIOS
CLOSED-END LOANS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
USE DEBT-TO-INCOME FORMULA	98%	100%	98%
PERCENT ON GROSS INCOME	38%	38%	38%
PERCENT ON NET INCOME	42%	49%	43%
MAX L-T-V RATIO FOR OWNER RESIDENCE	78%	82%	79%
MAX L-T-V RATIO FOR NON-OWNER RESIDENCE	72%	74%	72%

EXHIBIT 17A

DEBT-TO-INCOME AND LOAN-TO-VALUE RATIOS
CLOSED-END LOANS

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
USE DEBT-TO-INCOME FORMULA	100%	100%	98%	92%	98%
PERCENT ON GROSS INCOME	38%	38%	37%	41%	38%
PERCENT ON NET INCOME	43%	46%	41%	45%	43%
MAX L-T-V RATIO FOR OWNER RESIDENCE	77%	82%	79%	78%	79%
MAX L-T-V RATIO FOR NON-OWNER RESIDENCE	71%	73%	74%	68%	72%

EXHIBIT 17B

DEBT-TO-INCOME AND LOAN-TO-VALUE RATIOS
CLOSED-END LOANS

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
USE DEBT-TO-INCOME FORMULA	100%	100%	98%	97%	98%
PERCENT ON GROSS INCOME	37%	38%	38%	38%	38%
PERCENT ON NET INCOME	42%	43%	45%	41%	43%
MAX L-T-V RATIO FOR OWNER RESIDENCE	78%	77%	80%	80%	79%
MAX L-T-V RATIO FOR NON-OWNER RESIDENCE	75%	72%	72%	72%	72%

EXHIBIT 17C

OPEN-END LINE BORROWER CHARACTERISTICS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
PERCENT OF BORROWERS			
20-34	14%	18%	14%
35-49	51%	50%	51%
50-64	30%	25%	29%
OVER 65	6%	6%	6%
HOUSEHOLD INCOME	$49,386	$49,397	$49,388
NUMBER OF DEPENDENTS	2.7	3.0	2.7
YEARS AT PRESENT JOB	8.5	7.1	8.2
YEARS OF HOME OWNERSHIP	9.6	6.4	9.0
VALUE OF THE HOME	$115,302	$152,104	$121,566
FIRST MORTGAGE BALANCE	$48,596	$84,119	$54,446
AVAILABLE EQUITY	$57,216	$77,215	$60,549

EXHIBIT 18A

OPEN-END LINE BORROWER CHARACTERISTICS

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
PERCENT OF BORROWERS					
20-34	18%	11%	15%	10%	14%
35-49	49%	50%	54%	53%	51%
50-64	28%	32%	27%	30%	29%
OVER 65	6%	6%	6%	7%	6%
HOUSEHOLD INCOME	$49,605	$50,654	$47,790	$51,250	$49,388
NUMBER OF DEPENDENTS	3.0	2.7	2.6	2.2	2.7
YEARS AT PRESENT JOB	7.6	7.4	9.9	5.9	8.2
YEARS OF HOME OWNERSHIP	9.0	8.1	9.9	8.2	9.0
VALUE OF THE HOME	$151,220	$110,565	$90,407	$178,125	$121,566
FIRST MORTGAGE BALANCE	$47,604	$61,522	$41,950	$110,000	$54,446
AVAILABLE EQUITY	$80,954	$49,636	$47,942	$80,714	$60,549

EXHIBIT 18B

OPEN-END LINE BORROWER CHARACTERISTICS

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
PERCENT OF BORROWERS 20-34	14%	13%	17%	10%	14%
35-49	55%	50%	49%	54%	51%
50-64	30%	31%	26%	29%	29%
OVER 65	3%	6%	7%	7%	6%
HOUSEHOLD INCOME	$45,429	$46,560	$46,823	$61,428	$49,388
NUMBER OF DEPENDENTS	2.6	2.7	2.8	2.7	2.7
YEARS AT PRESENT JOB	9.8	8.5	8.7	5.3	8.2
YEARS OF HOME OWNERSHIP	12.1	8.8	8.7	7.9	9.0
VALUE OF THE HOME	$70,333	$110,120	$111,893	$204,658	$121,566
FIRST MORTGAGE BALANCE	$33,800	$44,609	$55,881	$91,923	$54,446
AVAILABLE EQUITY	$36,533	$68,000	$58,306	$80,769	$60,549

EXHIBIT 18C

CLOSED-END LOAN BORROWER CHARACTERISTICS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
PERCENT OF BORROWERS 20-34	19%	20%	20%
35-49	46%	44%	45%
50-64	28%	29%	28%
OVER 65	7%	6%	7%
HOUSEHOLD INCOME	$39,557	$43,154	$40,265
NUMBER OF DEPENDENTS	2.9	3.2	2.9
YEARS AT PRESENT JOB	7.7	7.5	7.7
YEARS OF HOME OWNERSHIP	8.8	7.1	8.4
VALUE OF THE HOME	$100,958	$139,643	$109,694
FIRST MORTGAGE BALANCE	$45,600	$74,083	$51,596
AVAILABLE EQUITY	$48,860	$75,917	$54,764

EXHIBIT 19A

CLOSED-END LOAN BORROWER CHARACTERISTICS

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
PERCENT OF BORROWERS 20-34	22%	15%	22%	17%	20%
35-49	46%	44%	48%	43%	45%
50-64	25%	33%	25%	31%	28%
OVER 65	7%	8%	5%	8%	7%
HOUSEHOLD INCOME	$41,974	$43,211	$35,409	$43,333	$40,265
NUMBER OF DEPENDENTS	3.1	3.2	2.6	2.7	2.9
YEARS AT PRESENT JOB	7.1	8.2	8.4	5.5	7.7
YEARS OF HOME OWNERSHIP	8.1	8.6	8.8	7.7	8.4
VALUE OF THE HOME	$126,684	$121,875	$67,333	$171,667	$109,694
FIRST MORTGAGE BALANCE	$44,750	$64,313	$32,300	$110,000	$51,596
AVAILABLE EQUITY	$65,563	$59,000	$35,421	$81,000	$54,764

EXHIBIT 19B

CLOSED-END LOAN BORROWER CHARACTERISTICS

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
PERCENT OF BORROWERS					
20-34	24%	18%	21%	16%	20%
35-49	45%	46%	46%	43%	45%
50-64	29%	30%	26%	33%	28%
OVER 65	3%	7%	7%	8%	7%
HOUSEHOLD INCOME	$33,400	$37,000	$40,500	$50,000	$40,265
NUMBER OF DEPENDENTS	3.1	2.8	2.9	3.0	2.9
YEARS AT PRESENT JOB	8.9	7.1	8.1	5.9	7.7
YEARS OF HOME OWNERSHIP	10.9	7.7	8.2	7.8	8.4
VALUE OF THE HOME	$60,900	$89,615	$110,000	$177,000	$109,694
FIRST MORTGAGE BALANCE	$31,000	$41,846	$54,500	$83,750	$51,596
AVAILABLE EQUITY	$29,900	$49,667	$59,280	$79,375	$54,764

EXHIBIT 19C

ACCESS TO HOME EQUITY OPEN-END LINES OF CREDIT
PERCENT OF INSTITUTIONS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
ACCESS CREDIT THROUGH CREDIT CARD	11%	4%	10%
ACCESS CREDIT THROUGH CHECKS-CHECKING ACCTS	92%	100%	94%
ACCESS CREDIT THROUGH BANK CHECK	44%	60%	46%
ACCESS CREDIT THROUGH ATM	19%	12%	18%
ACCESS CREDIT THROUGH TELEPHONE	37%	16%	34%
ACCESS CREDIT THROUGH OVERDRAFT PROTECTION	20%	8%	18%
ACCESS CREDIT THROUGH DEBIT CARDS	6%	4%	6%
ACCESS CREDIT THROUGH PERSONAL WITHDRAWALS	65%	72%	66%
AVERAGE NUMBER OF TRANSACTIONS PER ACCT	20	11	18
AVERAGE DOLLAR AMT OF TRANSACTIONS PER ACCT	$3,951	$3,655	$3,895

EXHIBIT 20A

ACCESS TO HOME EQUITY OPEN-END LINES OF CREDIT
PERCENT OF INSTITUTIONS

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
ACCESS CREDIT THROUGH CREDIT CARD	2%	10%	20%	0%	10%
ACCESS CREDIT THROUGH CHECKS-CHECKING ACCTS	92%	98%	92%	94%	94%
ACCESS CREDIT THROUGH BANK CHECK	56%	45%	40%	40%	46%
ACCESS CREDIT THROUGH ATM	27%	12%	20%	0%	18%
ACCESS CREDIT THROUGH TELEPHONE	25%	29%	43%	40%	34%
ACCESS CREDIT THROUGH OVERDRAFT PROTECTION	27%	25%	10%	0%	18%
ACCESS CREDIT THROUGH DEBIT CARDS	8%	2%	8%	0%	6%
ACCESS CREDIT THROUGH PERSONAL WITHDRAWALS	57%	71%	69%	73%	66%
AVERAGE NUMBER OF TRANSACTIONS PER ACCT	14	41	8	4	18
AVERAGE DOLLAR AMT OF TRANSACTIONS PER ACCT	$4,072	$4,708	$3,238	$4,181	$3,895

EXHIBIT 20B

ACCESS TO HOME EQUITY OPEN-END LINES OF CREDIT
PERCENT OF INSTITUTIONS

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
ACCESS CREDIT THROUGH CREDIT CARD	15%	14%	7%	8%	10%
ACCESS CREDIT THROUGH CHECKS-CHECKING ACCTS	95%	89%	93%	97%	94%
ACCESS CREDIT THROUGH BANK CHECK	32%	46%	52%	46%	46%
ACCESS CREDIT THROUGH ATM	15%	22%	20%	13%	18%
ACCESS CREDIT THROUGH TELEPHONE	60%	35%	28%	26%	34%
ACCESS CREDIT THROUGH OVERDRAFT PROTECTION	15%	14%	20%	21%	18%
ACCESS CREDIT THROUGH DEBIT CARDS	5%	5%	7%	5%	6%
ACCESS CREDIT THROUGH PERSONAL WITHDRAWALS	70%	53%	66%	76%	66%
AVERAGE NUMBER OF TRANSACTIONS PER ACCT	48	13	12	7	18
AVERAGE DOLLAR AMT OF TRANSACTIONS PER ACCT	$2,713	$3,021	$4,127	$5,159	$3,895

EXHIBIT 20C

DELINQUENT DOLLARS AS A PERCENT OF OUTSTANDING LINE OR LOAN DOLLARS

	TYPE OF INSTITUTION		OVERALL
	COMMERCIAL BANKS	THRIFTS	
TOTAL DELINQUENT CONSUMER LOANS	2.24%	1.84%	2.18%
TOTAL DELINQUENT OPEN-END LINES	1.17%	1.97%	1.30%
30 TO 60 DAYS	.71%	1.11%	.78%
60 TO 90 DAYS	.19%	.24%	.20%
OVER 90 DAYS	.29%	.60%	.35%
TOTAL DELINQUENT CLOSED-END LOANS	1.48%	.91%	1.37%
30 TO 60 DAYS	.97%	.57%	.90%
60 TO 90 DAYS	.30%	.14%	.27%
OVER 90 DAYS	.32%	.21%	.30%
TOTAL DELINQUENT FIRST MORTGAGE	1.13%	.34%	.97%
30 TO 60 DAYS	.61%	.10%	.51%
60 TO 90 DAYS	.24%	.10%	.21%
OVER 90 DAYS	.29%	.14%	.26%

EXHIBIT 21A

DELINQUENT DOLLARS AS A PERCENT OF OUTSTANDING LINE OR LOAN DOLLARS

	REGION OF THE UNITED STATES				OVERALL
	NORTHEAST	SOUTH	MIDWEST	WEST	
TOTAL DELINQUENT CONSUMER LOANS	2.61%	1.74%	2.26%	1.62%	2.18%
TOTAL DELINQUENT OPEN-END LINES	1.94%	1.16%	1.05%	.61%	1.30%
30 TO 60 DAYS	1.08%	.77%	.62%	.45%	.78%
60 TO 90 DAYS	.31%	.21%	.12%	.11%	.20%
OVER 90 DAYS	.53%	.24%	.31%	.18%	.35%
TOTAL DELINQUENT CLOSED-END LOANS	1.61%	1.31%	1.29%	1.29%	1.37%
30 TO 60 DAYS	1.11%	.99%	.75%	.69%	.90%
60 TO 90 DAYS	.37%	.28%	.20%	.27%	.27%
OVER 90 DAYS	.31%	.23%	.33%	.32%	.30%
TOTAL DELINQUENT FIRST MORTGAGE	1.05%	.61%	1.35%	.37%	.97%
30 TO 60 DAYS	.54%	.22%	.80%	.17%	.51%
60 TO 90 DAYS	.23%	.18%	.25%	.06%	.21%
OVER 90 DAYS	.29%	.20%	.30%	.14%	.26%

EXHIBIT 21B

DELINQUENT DOLLARS AS A PERCENT OF OUTSTANDING LINE OR LOAN DOLLARS

	ASSET SIZE				OVERALL
	UNDER 300 MILL	300 MILL TO 1 BILL	1 BILL TO 5 BILL	OVER 5 BILL	
TOTAL DELINQUENT CONSUMER LOANS	2.48%	2.34%	1.92%	2.24%	2.18%
TOTAL DELINQUENT OPEN-END LINES	1.28%	1.56%	1.15%	1.31%	1.30%
30 TO 60 DAYS	.65%	.82%	.70%	.91%	.78%
60 TO 90 DAYS	.02%	.32%	.20%	.18%	.20%
OVER 90 DAYS	.60%	.47%	.25%	.23%	.35%
TOTAL DELINQUENT CLOSED-END LOANS	1.72%	.96%	1.44%	1.31%	1.37%
30 TO 60 DAYS	1.01%	.68%	.92%	.93%	.90%
60 TO 90 DAYS	.12%	.17%	.36%	.27%	.27%
OVER 90 DAYS	.53%	.11%	.28%	.29%	.30%
TOTAL DELINQUENT FIRST MORTGAGE	2.14%	1.05%	.82%	.38%	.97%
30 TO 60 DAYS	1.27%	.56%	.38%	.16%	.51%
60 TO 90 DAYS	.43%	.17%	.21%	.10%	.21%
OVER 90 DAYS	.43%	.36%	.20%	.12%	.26%

EXHIBIT 21C

FORECLOSURED OPEN-END LINES

NUMBER OF FORECLOSED OPEN-END LINES	
Mean	3
Median	0
DOLLAR AMOUNT OF FORECLOSED OPEN-END LINES	
Mean	$142,665
Median	$0
AVERAGE FORECLOSED OPEN-END LINES	
Mean	$51,902
Median	$34,254
PERCENT OF LINE OUTSTANDING AT FORECLOSURE	
Mean	94.4%
Median	100.0%
PERCENT OF FORECLOSED OPEN-END LINES	
Mean	.14%
Median	.00%

EXHIBIT 22

FORECLOSURED CLOSED-END LOANS

NUMBER OF FORECLOSED CLOSED-END LOANS	
Mean	4
Median	0
DOLLAR AMOUNT OF FORECLOSED CLOSED-END LOANS	
Mean	$237,147
Median	$0
AVERAGE FORECLOSED CLOSED-END LOANS	
Mean	$60,870
Median	$23,397
PERCENT OF FORECLOSED CLOSED-END LOANS	
Mean	.26%
Median	.00%

EXHIBIT 23

FORECLOSURES AND CHARGE-OFFS
FIRST MORTGAGES

NUMBER OF FORECLOSED FIRST MORTGAGE	
Mean	39
Median	2
AMOUNT OF FORECLOSED FIRST MORTGAGE	
Mean	$4,055,860
Median	$90,067
AVERAGE FORECLOSED FIRST MORTGAGE	
Mean	$73,062
Median	$50,420
PERCENT OF FORECLOSED FIRST MORTGAGES	
Mean	.33%
Median	.07%
GROSS CHARGE-OFFS ON FIRST MORTGAGE	
Mean	.10%
Median	.00%
AMT OF CHARGE-OFFS ON FIRST MORTGAGE	
Mean	$440,632
Median	$0
PERCENT OF NET AFTER RECOVERIES	
Mean	.08%
Median	.00%
DOLLAR AMT OF NET AFTER RECOVERIES	
Mean	$426,105
Median	$0

EXHIBIT 24

ADJUSTMENT CAPS
OPEN-END LINES

PERCENT OF LENDERS WITH ANNUAL ADJUSTMENT CAP	7.9%
PERCENT OF LENDERS WITH LIFETIME RATE FLOOR	27.2%
LIFETIME INTEREST RATE FLOOR	8.7%
LIFETIME INTEREST RATE CEILING	19.4%

EXHIBIT 25

ADJUSTMENT CAPS
CLOSED-END LINES

PERCENT OF LENDERS WITH ANNUAL ADJUSTMENT CAP	16.4%
PERCENT OF LENDERS WITH LIFETIME RATE FLOOR	30.6%
LIFETIME INTEREST RATE FLOOR	8.1%
LIFETIME INTEREST RATE CEILING	20.4%

EXHIBIT 26

FIRST MORTGAGE TERMS

ESCROW OPTIONAL OR REQUIRED	
OPTIONAL	35.7%
REQUIRED	64.3%
OWNER OCCUPIED COLLATERAL	100.0%
NON-OWNER OCCUPIED COLLATERAL	82.1%
CONDO COLLATERAL	27.4%
CO-OP COLLATERAL	.3%
SECOND HOME COLLATERAL	93.5%
LOANS FOR CUST ONLY	7.2%
PMI INSURANCE	88.6%
ABOVE WHAT L-T-V	78.7%

EXHIBIT 27

USE OF SECONDARY MARKETS
PERCENT OF LENDERS

SELL HOME EQUITY LINES	.6%
SELL HOME EQUITY LOANS	.9%
SELL FIRST MORTGAGE LOANS	76.6%
BUY HOME EQUITY LINES	3.2%
BUY HOME EQUITY LOANS	7.9%
BUY FIRST MORTGAGE LOANS	31.2%
SECURITIZE EQUITY LINES	8.5%
SECURITIZE EQUITY LOANS	7.0%
SECURITIZE FIRST MORTGAGE	46.3%
PLANNING TO SECURITIZE OPEN-END LINES	1.5%
PLANNING TO SECURITIZE CLOSED-END LOANS	4.0%
PLANNING TO SECURITIZE FIRST MORTGAGES	21.1%

EXHIBIT 28

PERIODIC REVIEW

PERIODIC REVIEWS OF EQUITY LINES	67.1%
FREQUENCY OF REVIEWS	
1 YEARS	52%
2 YEARS	17%
3 YEAR	18%
5 YEARS	4%
OTHER	9%
USE ACCOUNT MONITORING SYSTEM	44.7%
METHOD OF ACCOUNT MONITORING	
INTERNAL REPORTS	57%
CREDIT BUREAU	18%
TRW	24%

EXHIBIT 29

Appendix 1

APPENDIX I

REGIONAL CLASSIFICATION

REGION	#
Northeast	49
Connecticut	5
Maine	1
Massachusetts	4
New Jersey	9
New York	10
New Hampshire	0
Pennsylvania	18
Rhode Island	1
Vermont	1
South	43
Alabama	0
Arkansas	1
Delaware	3
Florida	8
Georgia	3
Kentucky	2
Louisiana	0
Maryland	3
Mississippi	0
North Carolina	5
Oklahoma	3
South Carolina	1
Tennessee	2
Texas	1
Virginia	9
Washington, D.C.	2
West Virginia	0

REGION	#
Midwest	51
Illinois	7
Indiana	8
Iowa	2
Kansas	1
Michigan	8
Minnesota	1
Missouri	2
Nebraska	1
North Dakota	0
Ohio	17
South Dakota	0
Wisconsin	4
West	16
Alaska	0
Arizona	2
California	7
Colorado	1
Hawaii	2
Idaho	0
Montana	0
Nevada	0
New Mexico	0
Oregon	0
Utah	3
Washington	1
Wyoming	0

# of Respondents

Appendix 2

Section I
About Your Institution

Bill. Mill. Thou. Hund.

1. Your institution's asset size $____,____,____,____$

2. Number of branches or banks _____

3. Are you primarily a (please check only one):
   ( ) commercial bank
   ( ) finance company
   ( ) brokerage house
   ( ) credit union
   ( ) other
   ( ) mortgage company
   ( ) savings bank
   ( ) savings & loan assoc.
   If other, what are you? _____

4. Your institution's growth in assets (1989 vs. 1988): _____%

5. Your institution's return on assets (ROA) in 1989: _____%

6. Your institution's return on equity (ROE) in 1989: _____%

7. Do you offer open-end home equity lines? ____ no ____ yes If so, in what year did you begin open-end home equity lending? 19___.

8. Do you offer closed-end home equity loans? ____ no ____ yes If so, in what year did you begin closed-end home equity lending? 19___.

9. Do you offer first home mortgage loans? ____ no ____ yes If so, what year did you begin home mortgage lending? 19___.

SECTION II
TOTAL CONSUMER CREDIT OUTSTANDING
(EXCLUDING UNSECURED CREDIT CARDS)

		Bill.	Mill.	Thou.	Hund.
1.	Total **dollar** amount of all consumer credit outstandings (excluding unsecured credit cards) as of year-end 1989.	$____,	_____,	_____,	_____
2.	Total **dollar** amount of all delinquent (over 30 days) accounts of consumer credit (excluding unsecured credit cards) as of year-end 1989.	$____,	_____,	_____,	_____
3.	**Total number** of all delinquent (over 30 days) accounts of consumer credit (excluding unsecured credit cards) as of year-end 1989.		#_____,	_____,	_____
4.	How **many** total consumer credit accounts (excluding unsecured credit cards) did you charge-off in 1989?		#_____,	_____,	_____
5.	How **much** was the net charge-off (excluding unsecured credit cards) in 1989?	$____,	_____,	_____,	_____

SECTION III
HOME EQUITY LENDING SECTION

There are two columns for each question in this section. The first column should be used for reponses about your open lines and the second is for your closed-end loans. Please provide information for both types of lending. If you do not offer one or the other, please leave those columns blank.

	Open-End Lines Bill. Mill. Thou. Hun.	Closed-End Loans Bill. Mill. Thou. Hun.
1. Total number of open-end home equity lines and closed-end loans as of year-end 1989.	#_____,_____,_____	#_____,_____,_____
2. Total dollar amount of approved accounts as of year-end 1989.	$____,_____,_____,_____	$____,_____,_____,_____
3. Total number of outstanding (in use) open-end home equity lines as of year-end 1989.	#_____,_____,_____	N.A.
4. Total dollar amount of outstanding (in use) open-end home equity lines year-end 1989.	$____,_____,_____,_____	N.A.
5. Total number of new open-end home equity lines and new closed-end loans originated in calendar year 1989.	#_____,_____,_____	#_____,_____,_____
6. Total dollar amount of open-end lines and closed-end loans originated in calendar year 1989.	$____,_____,_____,_____	$____,_____,_____,_____
7. Total number of open-end home equity lines and closed-end loans outstanding that were delinquent by the amount of days shown at year-end 1989.	30 days #____,____ 60-90 days #____,____ 90+ days #____,____	30 days #____,____ 60-90 days #____,____ 90+ days #____,____

	Open-End Lines	Closed-End Loans
8. Total dollar amount of open-end lines and closed-end loans that were delinquent by the amount of days shown at the end of 1989.	30 days $___,___,___ 60-90 days $___,___,___ 90+ days $___,___,___	30 days $___,___,___ 60-90 days $___,___,___ 90+ days $___,___,___
9. In 1989, how many open-end lines and closed-end loans resulted in foreclosure?	#_____,_____,_____	#_____,_____,_____
10. In 1989, what was the dollar amount of open-end lines and closed-end loans that resulted in foreclosure?	$____,_____,_____,_____	$____,_____,_____,_____
11. What percent of the line was outstanding at the time of foreclosure?	_____%	N.A.
12. Minimum home equity line and loan.	$_____,_____	$____,_____
13. Maximum home equity line and loan.	$_____,_____,_____	$____,_____,_____
14. Open-end home equity borrowers access credit through the following: (check and complete where applicable)	__ yes __ no Credit card __ yes __ no Checks/Checking Accounts __ yes __ no Bank Check (counter check) __ yes __ no ATM __ yes __ no Telephone __ yes __ no Draft Account (Credit Union) __ yes __ no Overdraft protection on Checking Accounts __ yes __ no Debit Cards __ yes __ no Personal Withdrawals at Branch __ yes __ no Other (please specify) _____	
15. Which method of access is most frequently used by your borrowers?	_____	
16. What is your average number of transactions per active account during 1989?	_____	N.A.

	Open-End Lines	Closed-End Loans
7. What is your average dollar amount of transactions per active account during 1989?	$___,___,___,___	N.A.
8. Are interest only payments permitted?	____ yes ____ no	N.A.

SECTION IV
APPROVAL PROCESS

	Open-End Lines	Closed-End Loans
a. Do you use a debt-to income formula in the approval process?	____ yes ____ no	____ yes ____ no
b. What is the percent on the gross income? (if applicable)	____%	____%
c. What is the percent on the net income? (if applicable)	____%	____%
. In the approval process, do you use: (please check only one)	( ) credit scoring ( ) judgmental ( ) combination	( ) credit scoring ( ) judgmental ( ) combination
3a. How are the applications processed?	( ) branch level ( ) regional ( ) central	( ) branch level ( ) regional ( ) central
b. Is the process:	( ) manual ( ) automated	( ) manual ( ) automated
4. Average "turnaround" or processing time for home equity lines and loans from applications to final approval in calendar days.	_____ days	_____ days
5. What percent of applications are approved?	____%	____%

	Open-End Lines	Closed-End Loans
6. What percentage of approved applications actually close?	_____%	_____%
7. What is your maximum loan-to-value ratio for an owner occupied residence?	_____%	_____%
8. What is your maximum loan-to-value ratio for a non-owner occupied residence?	_____%	_____%
9. In your approval process, what percent of your appraisals are:		
full (complete inspection of property)	_____%	_____%
"drive-by" appraisals	_____%	_____%
approval on tax assessment only	_____%	_____%
other (specify) _____	_____%	_____%
	Total 100%	Total 100%
10. Do you require title insurance?	_____ yes _____ no	____ yes ____ no
11. Do you offer credit life insurance?	_____ yes _____ no	____ yes ____ no
If yes, maximum amount insurance.	$_____,_____,_____	$_____,_____,_____
12. What percent of your customers take credit life insurance?	_____%	_____%

13. For **open-end lines**, which of the following fees are currently passed on to the customer and how much are they? If you have different fees for different situations, please enter the range of those fees.

Is customer charged?			Estimated Fee	Is customer charged?			Estimated Fee
__yes	__no	annual	_____	__yes	__no	mortgage tax	_____
__yes	__no	application	_____	__yes	__no	points	_____
__yes	__no	appraisal	_____	__yes	__no	property report	_____
__yes	__no	attorney's fees	_____	__yes	__no	recording fee	_____
__yes	__no	closing	_____	__yes	__no	subordination	_____
__yes	__no	credit-check	_____	__yes	__no	title insurance	_____
__yes	__no	loan set-up	_____	__yes	__no	title search	_____
__yes	__no	other (please specify)_____	_____	__yes	__no	unused commitment fee	_____

14. For **closed-end loans**, which of the following fees are currently passed on to the customer and how much are they? If you have different fees for different situations, please enter the range of those fees.

Is customer charged?			Estimated Fee	Is customer charged?			Estimated Fee
__yes	__no	annual	_____	__yes	__no	mortgage tax	_____
__yes	__no	application	_____	__yes	__no	points	_____
__yes	__no	appraisal	_____	__yes	__no	property report	_____
__yes	__no	attorney's fees	_____	__yes	__no	recording fee	_____
__yes	__no	closing	_____	__yes	__no	subordination	_____
__yes	__no	credit-check	_____	__yes	__no	title insurance	_____
__yes	__no	loan set-up	_____	__yes	__no	title search	_____
__yes	__no	other (please specify)_____	_____	__yes	__no	unused commitment fee	_____

SECTION V
VARIABLE RATE HOME EQUITY

1. Which index do you use and what is the spread in basis points over that index for your variable rate home equity product? (Please check the appropriate index. OEL is for open-end lines and CEL is for closed-end loans.)

OEL	CEL		OEL	CEL	
( )	( )	The Wall Street Journal prime rate	_____	_____	basis point spread
( )	( )	A bank prime rate	_____	_____	basis point spread
( )	( )	30-day Treasury Bill rate	_____	_____	basis point spread
( )	( )	90-day (or 13 week) Treasury Bill rate	_____	_____	basis point spread
( )	( )	180-day (6 month) Treasury Bill rate	_____	_____	basis point spread
( )	( )	52-week Treasury Bill rate	_____	_____	basis point spread
( )	( )	Federal Reserve Discount rate	_____	_____	basis point spread
( )	( )	Other _____	_____	_____	basis point spread

	Open-End Lines	Closed-End Loans
2. Frequency of interest rate adjustments? (Please check only one.)	( ) Daily (i.e., when index changes) ( ) Weekly ( ) Monthly ( ) Quarterly ( ) Other (specify)____ _____	( ) Daily (i.e., when index changes) ( ) Weekly ( ) Monthly ( ) Quarterly ( ) Other (specify)____ _____
3a. Do you have annual adjustment cap?	_____ yes _____ no	_____ yes _____ no
b. If so, what is it?	_____% change	_____% change
4a. Do you have a lifetime interest rate floor?	_____ yes _____ no	_____ yes _____ no
b. If so, what is it?	_____% (minimum rate)	_____% (minimum rate)
5a. Do you have a lifetime interest rate ceiling?	_____ yes _____ no	_____ yes _____ no
b. If so, what is it?	_____% (maximum rate)	_____% (maximum rate)

Section VI
Servicing

		Open-end Lines		Closed-End Loans	
1a.	Do you conduct periodic reviews of your home equity lines for credit purposes?	_____ yes	_____ no	N.A.	
b.	If yes, how often?	_____		N.A.	
2a.	Do you use any type of account monitoring system?	_____ yes	_____ no	N.A.	
b.	If so, what is it?	_____		N.A.	
3.	During 1989, what was your customer's primary use for their home equity credit?	_____		_____	
4.	Do you buy home equity lines or loans?	_____ yes	_____ no	_____ yes	_____ no
5.	Do you sell home equity lines or loans?	_____ yes	_____ no	_____ yes	_____ no
6a.	Do you "securitize" your home equity lines or loans?	_____ yes	_____ no	_____ yes	_____ no
b.	If so, who do you use?	_____		_____	
7.	If you do not presently "securitize" your home equity lines or loans, are you planning to do so during 1990?	_____ yes	_____ no	_____ yes	_____ no
8.	Does the borrower have the option to convert all or part of the line or loan from variable to fixed rate?	_____ yes	_____ no	_____ yes	_____ no
9.	Does the borrower have the option to increase the line?	_____ yes	_____ no	N.A.	
	If so, what is the cost of increasing the line?	$____._____		N.A.	

Section VII
About the Business

		Open-End Lines	Closed-End Loans
1.	What percent of your borrowers are in the following age brackets? (Use your best estimates.)	20 to 34 years ____% 35 to 49 years ____% 50 to 64 years ____% 65 and over ____%	20 to 34 years ____% 35 to 49 years ____% 50 to 64 years ____% 65 and over ____%
2.	Average total household income.	$_____,_____	$_____,_____
3.	Average years of ownership of home by borrowers.	_____ years	_____ years
4.	Average appraised value of the home.	$_____,_____	$_____,_____
5.	Average first mortgage balance on the home.	$_____,_____	$_____,_____
6.	Average years at current job by primary provider of family income.	_____ years	_____ years
7.	Average number of dependents (including spouse)	_____	_____

8. How important are the following marketing activities to your home equity loan program? (Please rate each choice from 1 to 6 where 1 is not important and 6 is very important.)

_____ Newspaper
_____ Direct mail
_____ Statement stuffers
_____ Television
_____ Magazines
_____ Radio
_____ Word of mouth
_____ Cross-selling within
_____ Other (please specify) _____

_____ Billboards
_____ Brochures
_____ Telemarketing in-house
_____ Realtor referrals
_____ Construction company referrals
_____ Employee incentive
_____ No or low closing cost
_____ Low introductory interest rate

9. If you had to choose one of the above, which would be the most important to your home equity program? _____

	Open-End Lines	Closed-End Loans
10. How many full-time staff, including management, are dedicated to open-end lines and closed-end loans?	#_____	#_____
11. What is the total salary for the above staff during 1989?	$___,___,___	$___,___,___
12. What is your total origination cost (including credit bureau, advertising, etc.)?	$___,___,___	$___,___,___
13. What is your total servicing cost (including collections, customer service, item processing, etc.)?	$___,___,___	$___,___,___

SECTION IX
FIRST MORTGAGE LENDING

1. Does your institution originate first mortgages through the branch network for the bank portfolio?

   _____ yes _____ no

2. What percent of your first mortgages are originated through:

   _____% subsidiary
   _____% branch network
   _____% other, please specify:
   _____

3. Total number of first mortgage loans as of year-end 1989.

   #___,___,___

4. Total dollar amount of outstanding first mortgages year-end 1989.

   $___,___,___,___

5. Total **number** of new **first mortgages** originated in calendar year 1989. #____,____,____

6. Total **dollar** amount of **new first mortgages** originated in calendar year 1989. $____,____,____,____

7. Total **number** of **first mortgages** that were **delinquent** by more than the amount of days shown at the end of 1989.
   - 30 days #____,____
   - 60-90 days #____,____
   - 90+ days #____,____

8. Total **dollar** amount of **first mortgages** that were **delinquent** by the amount of days shown at the end of 1989.
   - 30 days $____,____
   - 60-90 days $____,____
   - 90+ days $____,____

9. What were your **charge-offs** on **first mortgages** (percent of average dollar amount outstanding) during 1989?
   - Gross:
     _____%
     $____,____,____,____
   - Net after recoveries:
     _____%
     $____,____,____,____

10. In 1989, how many **first mortgages** resulted in **foreclosures**? #____,____,____

11. In 1989, what was the dollar amount of **first mortgages** that resulted in foreclosures? $____,____,____,____

12. What **percent** of your first mortgage portfolio is variable rate? _____%

13. Minimum loan amount. $____,____,____

14. Maximum loan amount. $____,____,____

15. Average "turnaround" or processing time for first mortgages from applications to closing in calendar days. _____ days

16. What underwriting standards do you use?
___ FNMA
___ FHA
___ VA
___ other, please explain:___
_____

17. What percentage of approved first mortgage applications actually close? _____%

18. Do you require PMI insurance? _____ yes _____ no

Above what loan-to-value? _____%

19. Do you buy first mortgage loans? _____ yes _____ no

20. Do you sell first mortgage loans? _____ yes _____ no

21. a. Do you "securitize" your first mortgage? _____ yes _____ no

b. If so, who do you use? _____

22. If you do not presently "securitize" your first mortgages, are you planning to do so during 1990? _____ yes _____ no

23. Are first mortgage loans for bank customers only? _____ yes _____ no

24. Escrow optional or required? _____ optional _____ required

25. Type of collateral eligible for first mortgages?

__yes __no owner occupied

__yes __no non-owner occupied

__yes __no condos

__yes __no co-ops

__yes __no second or vacation homes

Additional Notes
and
Errata

Consumer Bankers Association
1990 Home Equity and Mortgage Lending Study
for Year-End 1989

It should be noted that the average respondent in 1989 was significantly larger than the average respondent in 1988. Thus, comparisons across years should be made with caution. Please note the following corrections:

Page 1, sentence on line 13 should read: *It represented 29 and 19 percent of consumer credit in 1988 and 1987 respectively.*

Page 3, last paragraph on page should read: *At the average financial institution within this sample, the consumer credit portfolio (excluding unsecured credit cards), increased by 49 percent in 1989, from $449,692,489 to $668,889,765 (Exhibits 2 pgs. 23-25). Approved open-and credit increased from $131,934,270 to $176,686,475, an increase of 34 percent during 1989.* As noted earlier, the average respondent in 1989 was 40 percent larger (in assets) than the average respondent in 1988.